

# Miscellaneous

**Ahmedabad Ombudsman Centre**

**Case No. : 25-001-0323**

**Mr. R D Patel**

**Vs**

**Life Insurance Corporation of India**

**Award Dated: 9-10-2006**

Units not credited properly under Unit Linked Insurance Policy: The Complainant had paid the premium and had on 22-4-2005 submitted the Proposal Papers for a Unit Linked Insurance Policy. Requirements were called for. On receipt of the same, the Proposal Papers were put up to the Medical Referee of the Insurer on 25-6-2005. Thereafter they were lost. A duplicate thereof was received on 6-12-2005 and the same was completed on that day. The Complainant suffered a loss of Rs. 4927/- due to the changes in the NAV rates due to this delay, which was awarded to be paid.

**Ahmedabad Ombudsman Centre**

**Case No. : 21-001-0141**

**Sri R P Patel**

**Vs**

**ICICI Prudential Life Insurance Co. Ltd.**

**Award Dated : 20-10-2006**

Partial settlement of Claim under Life Insurance Policy: The Assured died in an Accident. Claim was paid for the Paid-up Value only. Aggrieved by the said decision, a complaint was filed in the Office. The relevant data is as under :

- | Date of Commencement 16-1-2003
- | Date of premiums unpaid 16-1-2006
- | Policy Lapsed on 16-2-2006
- | Date of death 21-5-2006

Since the policy was in lapsed condition, and since the Policy had run for more than 3 years from the date of commencement, Paid-up Value of the Policy is admissible as per Policy Conditions. Since, the Policy was in a lapsed condition, Accident Benefit is not payable. As such, the decision of the Respondent to settle the Claim for Paid-up Value was upheld.

**Ahmedabad Ombudsman Centre**

**Case No. : 21-001-0165**

**Smt. Ramavatidevi R**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 17-11-2006**

Repudiation of Claim for Accident Benefit under Life Insurance Policy: The Assured died in a vehicular accident as a pillion rider. Claim for Accident Benefit was

repudiated on the grounds that the 'accident took place due to reckless, negligent and fast driving under the influence of intoxicating liquor'. It was pointed out that there were three persons riding on the Motorcycle when the accident occurred. Thus was a Breach of RTO Rules in this behalf and as Breach of Law had been committed, DAB is not payable. The Respondent relied on the FIR lodged at the Police Station, which noted alcoholic intake, rash driving and three persons travelling on the Motor Cycle. The Complainant submitted a copy of the Final Order wherein there was no mention of 'consumption of intoxicated liquor'. The Hon'ble Magistrate observed that the evidence made available could not prove rash and negligent driving, leading to the acquittal of the Driver. So the only ground sustainable to decide the Claim was RTO Rules broken as three persons were travelling on the Motorcycle. The concerned Policy Clause excluded payment only if 'death of the LA shall result from the LA committing any Breach of Law'. The Clause makes no reference to Injury or Accident but has a direct linkage with death. Reference was made to the Book 'Legal Aspects of Life Assurance by Insurance Institute of India' which stated that Claim cannot be rejected merely on ground that the accident been caused or preceded by breach of law. If in spite of breach of law, it is a case of an accident, the clause is not attracted for it refers to death by breach of law and not death resulting from an accident caused by breach of law. As such, the Respondent was directed to pay the full Claim.

**Ahmedabad Ombudsman Centre**

**Case No. : 23-001-0175**

**Mr. K K Pandya**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 27-12-2006**

Units not credited properly under Unit Linked Insurance Policy: The Complainant paid the First premium and had on 17-11-2005 submitted the Proposal Papers for a Unit Linked Insurance Policy. Requirements were called for in another Proposal, which was sent to the controlling Office of the Insurer in one bunch together with the Complainant's Proposal. On receipt of the Compliance of the 'other proposal', all the Proposals in the bunch were completed on 24-12-2005. The Complainant suffered a loss of Rs. 2044/- due to the changes in the NAV rates due to this delay, which was awarded to be paid, since the loss was due to processing deficiency of the Respondent.

**Ahmedabad Ombudsman Centre**

**Case No. : 21-003-0262**

**Ms. P V Patel**

**Vs**

**Tata AIG Life Insurance Co. Ltd.**

**Award Dated : 31-1-2007**

Repudiation of Critical Illness Benefit Claim: The Insured was Hospitalised for Gynaecological problems including Dysmenorrhoea and Pain in Abdomen requiring treatment and Surgery. The Complainant argued that since Surgical procedure was performed, the Claim for Critical Illness Rider should be payable. As per Policy

Conditions, Critical Illness covered under the Policy were Cancer, Stroke, Heart Attack, CABG Surgery, Kidney Failure and Major Organ Transplant. Since the surgery was not performed for any of the six items stated above, the decision of the Respondent to repudiate the Claim was upheld.

**Ahmedabad Ombudsman Centre**  
**Case No. : 21-001-0243**  
**Mr. M M Kanodia**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 7-2-2007**

Repudiation of Critical Illness Benefit Claim under Ashadeep Policy:: The Complainant had discomfort of Chest Pain for 15 days. Further investigations led to Coronary Artery Bypass Surgery on 2-10-2005. The Policy incepted on 28-9-2004. Claim was repudiated since as per the Policy Conditions, the disease occurred within the lien period of one year. However, the Exclusion Clause in the Policy excludes the benefits only if the specified contingency occurred within a year of commencement of the Policy. In the instant case, the insured contingency was CABG Surgery, which had occurred a year after the commencement of the risk, i.e. beyond the lien period. As such, the repudiation was set aside and the Respondent was directed to pay the full Claim amount as per the Policy conditions.

**Ahmedabad Ombudsman Centre**  
**Case No. : 21-001-0258**  
**Mrs. P C Prajapati**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 12-2-2007**

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact that his previous policies were lapsed/surrendered within 3 years. As a result, the Respondent was denied the opportunity to appraise the risk properly due to total non-disclosure of previous Insurance History. Since, the non-disclosure sniped Utmost Good Faith, which formed the cornerstone of Insurance Contract, the decision to repudiate the Claim was upheld.

**Ahmedabad Ombudsman Centre**  
**Case No. : 21-002-0240**  
**Mr. S P Kamodia**  
**Vs**  
**SBI Life Insurance Co. Ltd.**

**Award Dated: 30-3-2007**

Units not credited properly under Unit Linked Insurance Policy: The Proposal dated 23-1-2006 was received by the Respondent on 17-2-2006 followed by crediting of cheque on 21-2-2006 and Medical Reports etc. called for underwriting on 27-2-2006. On compliance of the requirements on 3-4-2006, the proposal was completed on 28-4-2006 with allotment of units as per NAV as on 28-4-2006. The Complainant was dissatisfied with the delay in processing. In response to his representation, the Respondent offered

the date of commencement to be shifted to 6-3-2006. However, the Complainant sought the NAV of 6-2-2006 and had hence registered his grievance with this Forum. The documents exhibited clearly showed that the proposal papers had reached the Respondent on 17-2-2006 and that the Cheque for premium was encashed on 21-2-2006. As such, the relief are prayed for by the Complainant could not be granted.

**Bhopal Ombudsman Centre**  
**Case No. : LI-1000-24/09-07/RPR**  
**Shri Abdul Mahmood**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 30.11.2006**

Shri Abdul Mahmood, resident of Balod Distt. Durg M.P. [hereinafter called Complainant] took 3 life insurance policies number 381943390, 381993555 and 382301127 from LIC of India, DO: Raipur, BO-Dallirajhara [hereinafter called Respondent] The complainant has complained that when the policies were in force, he met with a road accident while returning from duty and right leg badly injured which amputated during treatment for which Disability Benefit Claim was sought with the Respondent but the same was repudiated. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to the Respondent to settle the Disability Benefit Claim under the policies.

**Observations of Ombudsman :** I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the Policies numbered 381943390, 381993555 and 382301127 were issued to DLA by the Respondent and DLA met with road accident on 29-03-2005 leading to amputation of one leg below knee region.

During hearing the Complainant stated that he is a sport Officer in Government College at Balod and having three policies purchased from Dallirajhara Branch Office under Raipur Divisional Office before this accident. Now his earning has been effected due to amputation of one leg and unable to pay this premium of these policies. The Complainant also stated that he is an only male and earning person in the family to look after them. It is not possible for him to continue these policies of heavy premium, hence the claim was preferred with the Respondent to settle the disability benefit claim and waive the payment of future premiums but the same was repudiated.

During hearing the Respondent stated that as per the policy condition the disability claim under the policies is not payable as per Policy condition No. 10(4) printed on the back of policy bond. The clause 10(4) of Policy condition states that the disability claim becomes payable only in case the policyholder ceases to be in employment presently or in future, on account of his disability. As in this case, the policyholder is still employed, the claim was repudiated.

The term and condition regarding disability benefit printed on the back of the policy under 10(4) states as under:-

“ The disability above referred to must be disability which is the result of an accident and must be total and permanent and such that there is neither then nor at any time thereafter any work occupation or profession that the life assured can sufficiently ever do or follow to earn or obtain any wages compensation or profit. Accidental Injuries which independently of all other causes and within 120 days from the happening of such accident result in the irrecoverable loss of the entire sight both eyes or amputation of both hands at or above wrist or in the amputation of both feet at or

above ankle or in the amputation of one hand at or above wrist and one foot at or above the ankle shall be deemed to constitute such disability." In the instant case it is clear that the Complainant is at present in the employment in the government service and one leg amputation is not being covered under the above clause of disability benefit as per term and condition of the policy.

In view of the foregoing facts and circumstances, it is held that the decision of the Respondent to repudiate the disability claim under the Policies numbered 381943390, 381993555 and 382301127 was in order. Hence the Complaint is dismissed without any relief.

**Bhubaneswar Ombudsman Centre**

**Case No. : 22-001-0129**

**Sri Benudhar Panda**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 9.10.2006**

The Complainant had obtained one Bima Kiran Policy under Table & Term 111-25 for an assured sum of Rs.100000/- in the name of his daughter-in-law Smt. Bidyut Prabha Panda and one Children's Money Back Policy under Table & Term 113-23(15) for an assured sum of Rs.75000/- in the name of his grand daughter Miss Smruti Sradhanjali both commencing from 28.03.1995 vide Policy Nos. 582240009 and 582240278 respectively from Bhubaneswar Branch-II of LIC Cuttack Division. Due to financial stringency the Complainant could not pay premiums w.e.f. Sept'96 in respect of first policy and Dec'96 in respect of second policy. Consequently both the policies lapsed. The request of the Complainant eight years thereafter for revival of both policies was turned down by the insurer.

The Complainant contended that due to financial hardship he could not pay premiums. The Insurer also did not notice him before treating the policies as lapsed. It was submitted on behalf of the Insurer that the Complainant approached them for revival beyond the permissible period.

On going through the records this forum observed that non payment of premiums under both the policies allowing them to lapse is not disputed. Admittedly the Complainant approached the insurer for revival on 5.7.2004 i.e. 8 years after the policies lapsed. The insured persons have not exercised their options for revival within the specified period of 5 years. The notice under section 50 of Insurance Act, 1938 is required, when the options available to the Assured on lapsing of a policy is not set forth in the policy it refers. In the present case the options available having been set forth in the policies, the notice u/s 50 Of the Act is not mandatory.

The refusal to revive the policies can not therefore be faulted on any score.

**Bhubaneswar Ombudsman Centre**

**Case No. : 22-009-0152**

**Sri Kaniska Rath**

**Vs**

**Bajaj Allianz Life Insurance Co. Ltd.**

**Award Dated : 28.11.06**

The Complainant had taken an INVEST GAIN ECONOMY Policy bearing no.000263861 from Bajaj Allianz Life Insurance Co.Ltd. Cuttack Branch-II on 12.8.2003 for 5 years term for an assured sum of Rs.100000/- with yearly mode of payment of premium amounting to Rs.32910/-. Because of wrong calculation made by the company's Agent

he had paid initial deposit of Rs.33435/- which was admittedly an excess payment of Rs.525/-. In spite of several letters to the Company he could not get refund of the extra amount of Rs.525/-. Being aggrieved he lodged the complaint before this forum.

A hearing was held on 28.11.2006 in presence of both parties. The representative of the Insurer fairly conceded collection of excess amount of Rs.525/- and agreed to refund the same with interest. The policy lapsed because of non payment of due 12.8.2004 and onwards. The Complainant expressed his willingness to continue the policy if arrear premiums are accepted without late fees.

The Insurer agreed to revive the policy on receipt of arrear premiums without late fees. On aforesaid negotiation it is recommended that the Insurer shall refund excess amount of Rs.525/- with interest @ 9% p.a. from date of deposit till payment and revive the policy on receipt of arrear premiums waiving late fees. The Complainant shall co-operate with the Insurer in the revival formalities like medical examination etc.

**Bhubaneshwar Ombudsman Centre**

**Case No. : 21-001-0199**

**Sri Manoj Kumar Patnaik**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 14.12.06**

The Complainant had obtained a Jeevan Asha Plan under Table & Term 129-20 for an assured of Rs. 100000/- undertaking payment of 50% of the S.A in the event of major surgical procedure specified in the special provision contained in the policy vide policy no. 570328196 commencing from 15.1.98. Unfortunately, the Complainant came under the grip of Coronary artery single vessel disease for which he was hospitalised in Appolo Hospital, Visakhapatnam and on 6.1 2005 was subjected to surgical procedure of PTCA + Stent to RCA. In Feb'05 the Complainant claimed payment of 50% of S.A.. But the Insurer repudiated the claim on the ground interalia that PTCA + Stent to RCA are not covered under special provision of policy schedule. Being aggrieved, the Complainant moved this forum for redressal.

In a hearing held on 30.10.2006 at Jeypore camp the Complainant contended that the Insurer arbitrarily repudiated the claim in violation of policy conditions. The Insurer argued that PTCA + Stent to RCA are not covered under the policy.

The Cardiovascular system viz:- Initial Insertion of Permanent Pacemaker for the heart and major surgery on the Aorta (Excluding Aortic Valve Surgery) is included in the major surgical procedure in the special provision of the policy. On a plain reading of major surgical procedure in the Cardiovascular system appended in the special provision of the policy it is manifest that PTCA + Stent to RCA are not included therein. The repudiation therefore cannot be faulted on any score. The Complaint stands dismissed.

**Chandigarh Ombudsman Centre**

**Case No. : LIC/169/Amritsar/Chheharta/22/07**

**Darshan Lal**

**Vs**

**Life Insurance Corporation of India**

**Order dated: 23.11.06**

**FACTS** : Shri Darshan Lal purchased a policy bearing no. 471583829 from Branch Office, Chheharta for sum assured of Rs. one lac. He applied for cancellation of the same during the cooling off period and, accordingly, the policy was cancelled.

However, no payment has been made to him till date. He followed it up with the B.O. number of times, but he did not get any satisfactory reply.

**FINDINGS** : The insurer stated that the complainant had requested for refund of amount of Rs. 1,00,000/- (Rupees One Lakh) invested by him in the Future Plus plan within the "cooling-off period". However, the insurer failed to refund the amount due to some technical snag in the computer system. The insured party was, accordingly, made to suffer for no fault of his. His demand in getting the refund alongwith interest appears to be justified. It was also informed that now the insured party has asked for reinstatement of policy which, however, is not possible at this late stage according to the representative of the insurer.

**DECISION** : Held that the demand of the insured party for refund of the amount with interest appeared to be justified. Hence it was ordered that an amount of Rs. 1,00,000/- (Rupees One Lakh) plus 8% interest from 20.06.2006 when he applied for cancellation of policy and refund of premium amount deposited till the date of refund should be paid after recovering the administrative charges.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/120/Jalandhar/Mukatsar/22/07**  
**Smt. Sangita**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 23.11.06**

**FACTS** : Smt. Sangita had taken a policy on 17.09.04 for Rs. 50,000/- with an option for investment in the risk fund, but the option was wrongly typed for secured fund. She has requested for change in option, but it had not been done.

**FINDINGS** : On referring the matter to the insurer it was informed that the matter has been referred to Central Office, Mumbai. He further stated that as it would take 2-3 months, he requested to close the matter temporarily. During hearing the insurer explained that the placing of the money in the secured fund was done inadvertently and it was not possible for them to put it in risk fund from the date of commencement of policy due to a technical snag in the computer system.

**DECISION** : Considering the facts of the case, held that a technical snag in the computer system should not stand in the way of mitigating the grievance of the complainant. The insurer should find ways and means of mitigating the grievance of the complainant and one of ways was to correct the option from secured fund to risk fund from the date of commencement of issue of policy by manually issuing the revised policy document. The difference in amount arising out of difference in NAV, if any, should be refunded in the form of allotment of additional units from the date of commencement of policy. Hence ordered that additional units be given to the insured party by the insurer.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/157/Amritsar/B.Unit-II/21/07**  
**Smt. Anjana Aggarwal**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 23.11.06**

**FACTS** : Smt. Anjana Aggarwal had purchased a policy bearing no. 471667628 on 26.05.06 for Rs. one lac. She applied for switch over from bond fund to growth fund on 9.06.06, but her request was declined. Subsequently, she applied for refund of

premium under cooling off period on 10.06.06. On 13.06.06, she was informed that computer was not allowing cooling off option. However, she received a cheque of Rs 90,996/- on 15.07.2006 after cancellation of policy. She contended that an amount of Rs 101319/- was required to be paid to her on 10.06.06. She further added that had she surrendered the policy, she would have got Rs. 97266/- after deduction of 4% of exit fees.

**FINDINGS** : The complainant mentioned that after she exercised the option of switch over, it was realized by her that there were some changes in terms and conditions of policy, which were not acceptable to her. Therefore, she requested for refund of amount during cooling off period of 15 days, as she had not received the policy bond till then. However, it transpired that insurer could not refund the amount, but instead they sent a cheque of the surrendered amount of Rs. 90,996/- on 15.07.06 to the insured by canceling the policy. The complainant now wanted either refund of full amount or reinstatement of policy. The insurer explained that reinstatement of policy was not possible as the money had already been paid and the cheque had been encashed. He was of the view that they should get Rs. 97,266/- which was the surrender value as on the date of surrender. The complainant insisted on making full reimbursement of the amount invested as per the NAV on 10.06.2006, the date on which he had asked for refund of amount. The complainant had already been paid Rs. 90,996/- out of Rs. one lakh invested by her.

**DECISION** : Held that the difference amount of Rs. 9004/- may be paid to her under "cooling-off provisions" in full and final settlement of amount invested by the complainant with the insurer. Hence ordered that the insurer should make balance payment of Rs. 9004/- to the insured party.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/221/Shimla/Una/25/07**  
**Bishani Devi**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 6.12.06**

**FACTS** : Smt. Bishani Devi deposited Rs. 50,000/- each under three different policies bearing nos. 151623260, 151623259 & 151621467 under Bima Plus (ULIP) on 09.08.2004. Her grievance was that she had been issued policies very late thereby suffered financial loss. She had requested to compensate the loss as she had been issued lesser number of units due to delay in adjustment of her deposit. As she did not get satisfactory response from the insurer, she urged intervention of this forum in getting her grievance redressed.

**FINDINGS** : The insurer informed vide letter dated 30.10.2006 that B.O. Una had received the amount on 09.08.2004. But as the issuance of policies was centralized at D.O. Shimla and policies were issued at later date, hence the number of units issued less cannot be compensated now as there is no provision to change the units in policy master. The representative of complainant informed that the insured had purchased three policies of Rs. 50,000/- each by making payment on 09.08.2004, but units under two policies were issued belatedly on 30.09.2004. Therefore, she suffered a cash loss of Rs. 6686/- due to delayed issue of units. He stated that the units under one policy were issued on 28.08.2004 and units under two other policies were issued on 30.09.2004. He wanted that NAV on 28.08.2004 should be considered as base for calculating the difference in amount and the same may be paid to the insured so that

the loss suffered by her should be compensated. The insurer while agreeing with the complaint of the complainant, stated that delay occurred in late issue of units under two policies because of heavy rush of work since at that time, issue of units was also centralized at Divisional Office level. He agreed that insured had suffered a loss of Rs. 6686/- due to late issue of units in respect of two policies on 30.09.2004. When asked if additional units could be allotted to the insured, he expressed his inability to do the same.

**DECISION :** Held that the loss suffered by the insured due to late allotment of units on 30.09.2004 in respect of two policies should be duly compensated to the insured by the insurer by making cash payment of Rs. 7933/- which is inclusive of interest @ 8% per annum till date.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/285/Jalandhar/Muktsar/25/07**  
**Teja Singh**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 12.12.06**

**FACTS :** Teja Singh deposited Rs. 60,000/- under Jeevan Plus plan in the branch office Muktsar on 29.11.05. He was issued MR No. 1150. He stated that neither he was issued policy bond nor any appropriate response from the office even after expiry of one year. He stated that he enquired about it number of times and faxed letters to Divisional Office, Jalandhar, but there was no response. He stated that he was a retired teacher and he had invested in this policy to secure his future.

**FINDINGS :** The insurer stated that the complainant had applied for Jeevan Plus policy on 29.11.2005 after depositing Rs. 60,000/-. He was issued M.R. no. 1150 and the amount was kept in suspense because the plan had been discontinued. He further stated that the complainant could be given two options; either to utilize the money for another ULIP plan viz. Market Plus or refund of amount of Rs.60,000/- The complainant was contacted on telephone and given both the options. However, he could not give any satisfactory reply to the options offered.

**DECISION :** Since the Jeevan Plus plan for which the complainant had applied is no longer in continuation, held that the amount of Rs. 60,000/- should be refunded to the complainant alongwith interest @ 8% p.a. till the date of refund of the amount. In case, the complainant wants to opt for any other policy, he is free to do so later on. Hence ordered that the insurer will refund an amount of Rs. 60,000/- plus interest @ 8% p.a. to the complainant.

**Chandigarh Ombudsman Centre**  
**Case No. : Bajaj Allianz/271/Mumbai/Abohar/271/07**  
**Raghunath Maurya**  
**Vs**  
**Bajaj Allianz Life Insurance Co. Ltd.**

**Order dated: 18.12.06**

**FACTS :** Shri Raghunath Maurya had insured himself under Unit Great Life Pension-Single Premium Plan by paying Rs. 10,000/- at Branch Office Abohar. When he did not receive the policy bond, he enquired from branch officials, but he did not get any satisfactory reply. After waiting for six months, he sent legal notice to D.O. Ludhiana, B.O. Abohar and Head Office at Pune. However, he did not receive any reply and hence he filed a complaint with District Consumer Forum, Sriganaganagar. In reply to

the legal notice, the company has confirmed that there was no policy in the name of Raghunath Maurya. He had submitted the money receipt and a copy of the cheque in the Consumer Forum. The Forum had accepted negligence on the part of the company, but since the complaint was not under their purview, the case was dismissed. Subsequently, the complainant came to know about I.R.D.A. and its control over all the insurance companies. Hence he represented his case to I.R.D.A. for settlement of his complaint. He further stated that the risk cover under the policy was for Rs. 100,000/- and even after depositing the premium his risk was not covered. Hence he requested for refund of premium alongwith 18% interest and Rs. 25,000/- towards mental harassment, Rs. 1,00,000/- for fraud and negligence and for keeping him uncovered even after encashing the premium amount.

**FINDINGS :** The complainant stated that he had applied for an insurance policy under Unit Great Life Pension-Single Premium Plan by paying Rs. 10,000/- at BO Abohar. He had not received the policy document till date. Since the policy document was not received by him, he applied for refund of amount alongwith 18% interest. The representative of insurer clarified the position by stating that the amount deposited by the complainant was erroneously credited to another account and hence the policy documents could not be issued to him. The insurer agreed to issue the policy from the back date if the complainant was agreeable for the same or refund the amount with interest @ 8% p.a. from the date of deposit till the date of refund.

**DECISION :** Held that the insurer will refund the complainant Rs. 10,000/- plus interest @ 8% p.a. till the date of refund.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/263/Srinagar/B.Unit-I/24/07**  
**R.K. Sarda**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 19.12.06**

**FACTS :** Shri R.K. Sarda purchased a policy bearing no. 22804842 under Salary Saving Scheme in 1978. The policy matured in 2003. He stated that upon his transfer to Ambala, he got the policy transferred to Ambala City Branch; premiums were paid regularly. He was again transferred in 1984 to Fatehpur, U.P. and he got the policy transferred to Agra Division. After 1988, when the premiums were sent to Agra Division, he was informed that the policy had been transferred to Farukhabad B.O. He requested the insurer to transfer the policy to Ambala where he has permanent residence. He also requested to covert the policy from Salary Saving Scheme to ordinary mode in 1991. Unfortunately, he did not get any response. In the meantime, the policy matured in February 2003, but he was not aware of the whereabouts of his policy.

**FINDINGS :** The insurer informed that BO Srinagar-I had admitted the claim liability and sent discharge form to the complainant. It was further informed that on receipt of requisite documents, the payment would be made to the policyholder. Subsequently, Manager (CRM) informed that a cheque bearing no. 9738470 dated 28.11.2006 for Rs. 5,970/- has been sent by registered post to the complainant. On an enquiry, the complainant confirmed receipt of the cheque but demanded interest for delay in payment.

**DECISION :** Held that no efforts were made on the part of insurer to make maturity payment to the insured party since the maturity of policy in 2003. Hence ordered that

the complainant be paid penal interest @ 8% p.a. for the period of delay upto 28.11.2006.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/317/Jalandhar/Jal-III/22/07**  
**Vandna**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 26.12.06**

**FACTS :** Smt. Vandna Grover's father Shri Satish Kumar Verma, her sister-in-law Ms. Rashmi Gaba and her nephew Master Aneesh Gaba had made investments in Future Plus/Jeevan Plus policies. The complainant, her father and her sister-in-law invested for Rs. 1 lakh under Future Plus Plan 172. However, she and her sister-in-law were issued policies bearing no. 132226917 and 132226793 under Jeevan Plus Plan 173 of Rs. 2 lakh to be paid in five instalments of Rs. 40,000 yearly and Rs. 1.00 lakh to be paid in 4 equal instalments respectively. In policy bearing no. 132226794 in the name of her father, the mode of payment was quarterly, but it was wrongly mentioned as half yearly. She stated that she had been corresponding with the insurer since August'06, but no necessary corrections had been made. She alleged that she was being forced to withdraw the complaint by signing letter given by the branch Manager.

**FINDINGS :** The insurer informed vide fax dated 22.12.06 that under policy no. 132226794 Shri Satish Kumar Verma had given consent for hly mode and under policy no. 132226803, Master Aneesh Gaba had been refunded Rs. 5000/- which were deposited in excess. Regarding policy no. 132226917 and 132226793 favouring Smt Vandna Grover and Smt. Rashmi Gaba respectively, the matter had been referred to the Central Office for rectification. The insurer requested one month's time as there was no provision for rectification in the present module. The complainant stated that she had purchased four policies under various names as follows:

<b>S.No.</b>	<b>Policy No.</b>	<b>Name/Table/Sum Assured</b>
i)	132226917	Mrs. Vandana Grover – Table No. 172 – S.A. Rs. one lakh – Mode Half yly – Term One Year
ii)	132226793	Mrs. Rashmi Gaba – Table No. 172 –S.A. Rs. One Lakh – Mode Qtly – Term One year
iii)	132226794	Mr. Satish Kumar Verma – Table No. 172 S.A. Rs. One Lakh – Mode Qtly – Term One year
iv)	132226803	Master Aneesh Gaba – Table No. 173 S.A. Rs. 75,000/- – Mode Yearly -Term Five Years

However, when the policies were issued to them, the following discrepancies were noticed:

- i) **Policy No. 1322267917** – Instead of Table No. 172, she was issued policy under Table No. 173 and SA was increased by Rs. 1.00 lakh. She deposited Rs. 50,000/-, but only Rs. 40,000/- was accepted, being first of the five equal instalments. She requested for change in Table from 173 to 172 with reduction in SA to Rs. 1.00 lakh and acceptance of Rs. 60,000/- as the next premium after which no further premium would be payable by her.
- ii) **Policy No. 132226793** - Instead of Table No. 172, she was issued policy under Table No. 173. She deposited Rs. 25,000/- as first of four equal quarterly instalments in June 2006. No further premium could be paid as Table was wrongly mentioned in the policy. She requested for change of Table from 173 to 172 and

acceptance of Rs. 50,000/- towards premia due in September and December 2006 to be paid in January 2007. The final quarterly instalment shall be payable in March 2007 and the policy shall ultimately mature.

**iii) Policy No. 132226794** - The policy was issued under Table No. 172 as proposed, but the mode of payment which was to be quarterly had been shown as half-yearly resulting in reduction in S.A. by 50%. She paid first instalment of Rs. 25,000/- in June 2006 and next instalment was paid in December 2006. She requested for payment of additional amount of Rs. 50,000/- as top-up in January 2007.

**iv) Policy No. 132226803** - She deposited Rs. 15,000/- in June 2006 as yearly instalment under Table No. 173 as proposed, but instead she was issued FPR for Rs. 10,000/- only, resulting in reduction in SA to Rs. 50,000/- from Rs. 75,000/- and balance amount of Rs. 5000/- was refunded. She requested that additional amount of Rs.5,000/- which was refunded to her be accepted immediately and fixing of further yearly premium be revised to Rs. 15,000/-.

The matter was discussed on telephone with Shri B.K. Pandey, Chief (ULIP), C.O., Mumbai to whom the matter had been referred by the Divisional Office. The matter was also discussed telephonically with Shri T.R. Mendiratta, Sr. Divisional Manager, Jalandhar.

**DECISION** : After going through the records and hearing the parties, held that there have been serious avoidable mistakes committed in issuance of the policies to the policyholders and rectifications as requested by them should be carried out in the interest of the policyholders. Hence ordered as follows:

- i) Policy No. 132226791 be converted to Table no. 172 and the SA be changed from Rs. 2.00 lakhs to Rs. 1.00 lakh and an amount of Rs. 60,000/- be accepted as payment under this policy in January 2007.
- ii) Policy No. 132226793 be converted to Table no. 172 and an amount of Rs. 50,000/- be accepted as payment for instalments in September and December 2006 in January 2007.
- iii) Policy No. 132226794 – An amount of Rs. 50,000/- as top-up amount be accepted in January 2007 to increase the SA to Rs. 1.00 lakh as originally proposed.
- iv) Policy No. 132226803 – an amount of Rs. 5000/- be accepted in January 2007 as a part of first premium and subsequent premiums be revised to Rs. 15,000/- annually.

A copy of this order be forwarded to Central Office of the insurer in Mumbai for follow up action at their end.

**Chandigarh Ombudsman Centre**  
**Case No. : ICICI/325/Mumbai/Chandigarh/24/07**  
**Shri Atma Singh Mangat**  
**Vs**  
**ICICI Prudential Life Insurance Co. Ltd.**

**Order dated: 28.12.06**

**FACTS** : Shri Atma Singh Mangat deposited Rs. 3,00,000/- with the company on 07.07.2005 which remained with them upto 16.10.2006. In his letter dated 22.08.2006, the complainant requested for cancellation of the policy and refund of the amount paid by him. He had also filed a complaint in this office earlier for the refund. Accordingly, refund was given purely as a special case vide cheque no. 291227 dated 10.10.2006 without deduction of initial expenses and risk premium. After receiving the amount, he filed another complaint in this office for interest for the period the amount remained in deposit with the company.

**FINDINGS** : The complainant informed vide letter dt.27.12.2006 followed by telephonic call that his demand for payment of interest has been fulfilled by the insurer by paying interest @8%. He has given his consent to arrive at this compromise and withdrawn his complaint.

**DECISION** : Held that since the grievance of the complainant had been redressed, no further action was called for. The complaint was accordingly closed.

**Chandigarh Ombudsman Centre**  
**Case No. : SBI Life/287/Mumbai/Chandigarh/22/07**  
**Santosh Gupta**  
**Vs**  
**SBI Life Insurance Co. Ltd.**

**Order dated: 29.12.06**

**FACTS** : Mrs. Santosh Gupta invested Rs. one lakh in Unit Plus Growth Fund on 31.03.2006. She was given to understand that the policy will be Unit Plus-II, Single Premium with income tax benefit available to her husband. She further stated that the proposal form was filled incomplete by the representative of the insurer and subsequently wrong details regarding her profession and term of the policy were filled. When she received the policy on 03.06.2006, she came to know that she was issued Unit Plus Regular policy with premium of Rs. one lakh per year for a term of five years. Immediately, on June 05, 2006 she applied for cancellation of policy. The request was accepted, but surprisingly she received Rs. 91,993/- instead of Rs. one lakh. She again represented for the balance amount, but the company stated that the shortfall is due to change in NAV. She felt cheated and sought intervention of this office in getting her the entire principal amount refunded.

**FINDINGS** : The complainant stated that his wife had taken Unit Plus policy for Rs. 1 lakh on 31.3.06. She was given to understand that it was a single premium policy. However when she received the policy she came to know that the policy issued to her was with premium of Rs. 1 lakh every year with term of five years. The insured applied for cancellation in June' 06. Although she had applied for cancellation during free look period, she received only Rs. 91,993/- instead of Rs. one lakh. She requested for the balance amount to be paid to her. The insurer clarified the position by stating that the amount paid to the insured was as per terms and conditions of the policy and in accordance with guidelines of IRDA.

**DECISION** : After going through the records and hearing both the parties and perusing IRDA Guidelines held that deductions made by the insurer are in conformity with IRDA (Protection of Policyholders Interests) Regulations 2002 under regulation 6 (3) read with 6 (2). The case was dismissed.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/216/Chandigarh/Patiala/21/07**  
**Shobha Rani**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 18.1.07**

**FACTS** : Smt Shobha Rani's husband Shri. Anil Kumar Sethi had purchased a Jeevan Sathi policy bearing no. 162172788 from Branch Office Patiala-II with DOC as 28.11.2003. He expired on 08.11.2004. Since the policy was a Joint Life policy the complainant was advised by the company's staff to keep the policy in force. However as the company failed to make the claim payment she stopped paying the premiums

from 08/2005. She alleged that after having submitted all the documents as called for, enquiry was conducted after a lapse of ten months. In 05/2006 she was informed to submit the original policy bond but the same was already submitted by her and probably misplaced by the branch. She further stated that even after completing all the formalities for duplicate policy bond and depositing Rs.95/- , the authorities had called for advertisement in local newspaper for loss of policy bond. Her grievance was that all the requirements should have been called at one go and not part by part.

**FINDINGS :** The insurer informed that the policy was issued under Joint Life scheme. As per death intimation dated 15.02.06 first life assured, Sh. Anil Kumar Sethi died on 28.11.2004 due to kidney failure. Being an early claim bonafides of the claim were investigated. The claimant was requested to submit the original policy bond vide letter dated 28.04.06 and the same was received undelivered. She was again requested on 26.05.06 for the policy bond. On B.O.'s request she submitted application for duplicate policy bond without policy preparation charges and stamp fee. Moreover advertisement in local newspaper was also required. However on the basis of papers submitted, Competent Authority had admitted the liability for basic sum assured, only after submission of requirements by the complainant. Hence requested for dismissal of the complaint. Further on enquiry from the insurer it was confirmed through e-mail dated 09.01.2007 that the Branch Manager had personally handed over the cheque for Rs.1,13,379/- to the complainant on 06.01.2007 but no penal interest had been paid.

**DECISION :** Held that interest @ 8% on Rs. 1,13,379/- be paid from 01.09.2005 to 06.01.2007.

**Chandigarh Ombudsman Centre**  
**Case No. : TATA AIG/358/Mumbai/Hissar/07**  
**Hari Om Kaushik**  
**Vs**  
**TATA AIG Life Insurance Co. Ltd.**

**Order dated: 24.1.07**

**FACTS :** Shri Hari Om Kaushik purchased a Health Protector policy bearing no. C-1700664604 from TATA AIG Insurance Company on 24.07.2006. On 27.09.2006, he met with an accident and his leg was fractured. He claimed that as per the policy terms and conditions of the policy, he was eligible for 10% of sum assured, but the insurer refused the claim.

**FINDINGS :** The insurer informed vide letter dated 16.01.2007 that the complainant was admitted in City Hospital on 27.09.2006 at 03:00 p.m. and was discharged on 29.09.2006. As per the terms and conditions of the contract, accidental hospitalization income becomes payable if hospital confinement is more than three days in a pre-approved hospital. However, the number of days the complainant was admitted in an unapproved hospital does not meet this requirement. The claim was, therefore, declined. The complainant stated that his claim for accident injury benefit of 10% of sum assured due to leg fracture was repudiated by the insurer on the plea that the leg fracture was not coming in the category of "leg fracture non-union". However, he felt that he was eligible for 10% of sum assured since his leg was fractured. The insurer stated that as per terms and conditions of the policy, 10% of the sum assured was payable if leg or patella fractured is non-unionable. In the instant case, such is not the case. The leg had already been joined and the complainant had no permanent damage to the leg. His other claim of hospitalization was not tenable as he had spent less than three days in the hospital and even otherwise, such claim is limited to only Rs.100/- as per the option exercised by him.

**DECISION** : Held that the complaint of the complainant that he should be paid 10% of sum assured under accidental death and dismemberment long scale clause was not tenable. The repudiation of the claim by the insurer was in order. No further action was called for. The case was dismissed.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/300/Shimla/Dharamshala/21/07**  
**Shri Jagdish Kumar**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 31.1.07**

**FACTS** : Shri Jagdish Kumar Chand purchased an insurance policy bearing no. 151832452 under Bima Plus Plan having single premium for Rs.1,80,000/- after withdrawing the amount from CPF account which was earning interest for him. He reinvested the amount of Rs.2,00,000/- out of the surrender value of Bima Plus Policy in Market Plus in September 2006, but instead of issuing Market Plus Policy, he was paid the cheque for Rs. 1,45,606/- lesser surrender value of the previous Bima Plus Policy. He visited the concerned B.O. many times regarding less payment of surrender value and not re-recycling the amount to issue Market Plus Policy, but failed to get satisfactory response. Since the amount was less than he invested he did not encash the cheque.

**FINDINGS** : The insurer informed that the complainant had surrendered the policy before one year and as per the guidelines of the insurer, only 70% of the available amount was paid as surrender value to the insured. On a query whether the lesser amount payable was made known to the complainant before taking surrender value action, the reply was in the negative. A letter was produced allegedly signed by the Branch Manager stating that Surrender Value was less than the amount to be recycled where the signature of the Branch Manager were not found to be genuine and there was no reference number given in that letter. On a query whether the complainant had signed the discharge voucher for Rs. 1,45,606/-, the complainant replied in negative. The discharge voucher, which was allegedly signed by the complainant for an amount, which was different than which was shown in the calculation, was filled in a different ink. The following facts came to light:

- 1) The discharge form on the basis of which the policy is supposed to be surrendered has been wrongly filled.
- 2) The complainant has denied that he had signed the discharge voucher.
- 3) The complainant was not informed about the content of the circular where he would get 70% of the gross available amount before completion of one year of the policy.
- 4) The complainant had written a letter to reinvest Rs. 2,00,000 *out of* the surrender value but he was not informed that the surrender value was less than the amount desired to be reinvested.
- 5) The cheque issued was dated 26/10/2006, which was issued after completion of one year, as the date of commencement was 05/10/2005.

**DECISION** : Held that the insurer had erred in surrendering the policy without informing the complainant about the quantum of surrender value in case surrender before one year by supplying him the surrender value quotations and also the balance amount required for recycling. Thus he was deprived of an opportunity to reconsider his request for surrender. Hence, he was entitled to payment of 100% gross amount. It was ordered that the gross amount as per the prevailing NAV by 15th of March'07

subject to deductions of surrender charges and administrative cost if any as on 26/10/2006 be paid to the complainant.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/259/Karnal /Tohana/22/07**  
**Naresh Singla**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 31.1.07**

**FACTS :** Shri Naresh Singla submitted a proposal for insurance of his mother Smt. Murti Devi and deposited a sum of Rs. 12,360/- for this purpose on 31.03.2006. He stated that he spent Rs. 600/- on E.C.G. and blood test etc. He stated that after almost four months, he was informed that insurance cannot be given to the proponent and resultantly an amount of Rs. 12,250/- was refunded after deducting Rs. 110/-. His grievance was as to why the proposal was declined after such a long time. .

**FINDINGS :** The insurer informed vide letter dated 15.01.2007 the case was forwarded to Divisional Office, Karnal for underwriting and the same was regretted by them. Consequently, an amount of Rs. 12,250/- was refunded on 26.07.2006 to the proponent after deducting Rs. 110/- as processing charges as per Corporation's rule. It was further stated that as per Corporation Rules, if a proposal is regretted, fee for special reports is borne by the proponent. Hence, the same cannot be reimbursed to the proposer.

**DECISION :** Held that while the deductions made by the insurer were as per rules, the time taken to process the case had been longer than reasonable. Hence ordered that interest @ 8% p.a. be paid to the proponent for three months.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/261/Karnal /P&GS Unit/24/07**  
**V.P. Gupta**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 31.1.07**

**FACTS :** Shri V.P. Gupta took a pension policy bearing no. 173405475 under Varishtha Pension Bima Yojana. The payment of annuity was due on 28.09.2006 which was not received by him till 12.10.2006. He pointed out that earlier he had requested for change of address, but no confirmation to this effect was received by him.

**FINDINGS :** The insurer informed vide letter dated 11.12.2006 that the annuity due October 2006 paid on 03.10.2006 through ECS to the complainant's bank i.e. Vijaya Bank, Panchkula on 03.10.2006. It was also informed that necessary changes in bank particulars have also been made as desired by the complainant. It was assured that future pension cheques would be sent through ECS to his new bank account. The complainant informed that he had already closed his saving account with Vijaya Bank where the annuity cheques were sent and LIC authorities were duly informed regarding closure of his saving bank account with Vijaya Bank vide his letter dated 05.12.2005. He reiterated his request for annuity cheques to be sent through ECS to his SB account with Oriental Bank of India, NOIDA. He also demanded interest for delay in payment alongwith reimbursement of miscellaneous expenses. The insurer further informed vide letter dated 17.01.2007 that fresh cheques have been issued on 10.01.2007. The complainant was contacted on telephone and he confirmed receipt of the pension cheques.

**DECISION** : Held that the payment of pension cheques had been unnecessarily delayed due to negligence on the part of insurer and it was ordered that the complainant be paid interest @ 8% p.a. with effect from 03.10.2006 to 10.01.2007.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/354/Karnal /Kurukshehra/24/07**  
**Nar Singh**  
**Vs**  
**Life Insurance Corporation of India**

**Order dated: 1.2.07**

**FACTS** : Shri Nar Singh took a money back policy bearing no. 170536334 from Branch Office, Kurukshehra for sum assured of Rs. 75,000/- with DOC 28.08.1991. As per terms and conditions of the policy, payment of survival benefit was due on 28.08.2006. When he visited the B.O. to inquire about survival benefit payment, he was informed that the cheque for survival benefit had been handed over to somebody for personal delivery at his residence. Since nobody delivered the cheque at his residence, he went again to B.O. and he was informed that a fresh cheque would be issued to him after expiry of validity of earlier cheque i.e. three months. When he visited B.O. after three months, he was told to wait for one week. After one week, he was informed that his cheque had been despatched. He waited for 5-6 days, but did not get the cheque. He again approached the branch officials and came to know that the cheque was not drawn yet. He approached Administrative Officer in the B.O. and explained the position to him. The A.O. asked him to come the next day. When he questioned about his fault and non-payment of survival benefit despite several visits, the A.O. misbehaved with him and asked him to meet the Branch Manager. His meeting with the Branch Manager did not bear any fruit.

**FINDINGS** : The insurer informed that cheque for SB payment due on 28.08.2006 was despatched on 28.08.2006 was received back undelivered on 25.09.2006 and the cheque got stale. It was further informed that the fresh cheque dated 09.01.2007 for Rs. 15,000/- had been despatched vide speed post no. 791799865. It was found that no efforts were made to trace the changed address of the complainant by the insurer and in the meantime, the cheque got stale. This was a serious deficiency in service.

**DECISION** : Ordered that interest @ 8% p.a. be paid to the complainant for the period of delay in payment i.e. from 25.09.2006 to 09.01.2007.

**Chandigarh Ombudsman Centre**  
**Case No. : Kotak Mahindra/331/Mumbai/Ludhiana/21/07**  
**Manoj Kumar**  
**Vs**  
**Kotak Mahindra Old Mutual Life Ins. Ltd.**

**Order dated: 12.2.07**

**FACTS** : Shri Manoj Kumar deposited Rs. 1,02,527/- for purchase of Privileged Assurance Policy on 27.07.06. . However, no policy bond was issued to him. When he enquired about the policy bond from the insurer's representative, Ms Nisha, she told him to get Doctor's health inspection report from Dr. Sibia at Sibia hospital, Ludhiana. He submitted the same and after 10 days, he again enquired for the policy bond. He was again told for health inspection by doctors. He once again completed the same from the doctors at Dr. Sibia Hospital. But still the policy bond was not sent. Instead of policy bond, the company refunded the initial amount of Rs. 1,02,527/- on 30.11.2006.

He further stated that had he been given the policy, he would have gained Rs. 40,000/- from the increase in the value of units.

**FINDINGS** : The insurer informed that the complainant had applied for Kotak Privileged Assurance Plan for basic life cover of Rs. 5,12,635/- for a term of five years. Since medical examination was required as per underwriting norms, the complainant had undergone medical examinations and based on the findings the company had to revise the requested plan for the reason being diabetes on treatment. The same was communicated to the complainant vide letter dated 05.10.2006 and was also requested to pay additional Rs. 4,611/- being the difference between the first premium and initial deposit. He was also informed that the revised offer was valid for a period of 30 days. Since the company did not receive any letter for continuation of the policy, the company after expiry of 30 days cancelled the proposal form vide letter dated 30<sup>th</sup> November, 2006 and refunded the initial amount deposited by the complainant. Hence requested dismissal of the case. The insurer stated that the complainant had applied for Kotak Privileged Assurance Plan for basic life cover of Rs. 5,12,635/- for a term of five years. After going through the medical examination, it was found that he was suffering from diabetes and he was given an option to revise the proposal and pay the additional higher amount of Rs. 4,611/- being the difference between the first premium and the initial deposit. The letter was written on 05.10.2006. The revised offer was valid for a period of thirty days from the date of issue of the letter. Since no reply was received from him, it was presumed that he was not interested in revising the proposal. Hence, the amount of initial deposit was refunded to him on 31.11.2006. On a query whether the complainant had received the letter giving the revised offer, the complainant replied in the negative.

It was found that there was a communication gap between the insurer and the complainant regarding the exchange of letters between the two. Unfortunately, the letter offering the revised policy to the insured does not appear to have been received by him. On a query whether the policy can be restarted from the date of initial deposit, the insurer replied in the negative.

**DECISION** : Held that since the policy cannot be predated, it would be in the fairness of justice if interest @ 8% p.a. on the initial deposit is given by the insurer to the complainant. Hence ordered that the insurer should make payment of interest @ 8% p.a. on the initial deposit with effect from 01.08.2006 to 29.11.2006.

**Chandigarh Ombudsman Centre**  
**Case No. : SBI Life/348/Mumbai/Ambala/07**  
**V.N. Sharma**  
**Vs**  
**SBI Life Insurance Co. Ltd.**

**Order dated: 27.2.07**

**FACTS** : Shri V. N. Sharma had taken a Unit Plus-II Single Policy, but he was given a Unit Plus-II Regular Policy. He felt cheated as the product was mis-sold to him. Being a pensioner he wanted a Single Premium Policy. He had paid Rs. one lakh as single premium and was in no position to pay the huge amount regularly. Since Single Premium Policy was not issued, he applied for refund of amount of Rs. 1 lakh.

**FINDINGS** : The insurer informed that the policy document was sent to the SBI Life Branch located at Chandigarh on 16.9.06 through Courier. The policy document was received by their Branch Office, Chandigarh on 18.9.06 and subsequently dispatched to the complainant vide Speed Post No. EE 777510208 on 19.9.06. It was stated that the

complainant had requested for cancellation of policy and refund of premium after the expiry of free look period. Hence he was not entitled for cancellation of the same. However he can request for cancellation after the expiry of the lock in period i.e. after 3 years. The insurer stated that as per the proposal form the complainant had applied for a policy under regular mode of payment. Hence the same was issued to him. As far as refund of premium was concerned, it was stated that as it was applied after the free look period, the premium could not be refunded. On a query whether a policy under regular mode of payment could be converted into single premium policy, the insurer applied in the affirmative. On a query whether the complainant would be satisfied with the conversion of regular premium policy to single premium policy, the complainant replied in the affirmative.

**DECISION :** Held that the insurer should make the necessary corrections in the policy bond by cancelling the policy bond already issued and issue a fresh policy w.e.f 8.9.06 under single premium mode.

**Chandigarh Ombudsman Centre**  
**Case No. : ICICI/411/Mumbai/Chandigarh/22/07**  
**Bal Krishan**  
**Vs**  
**ICICI Prudential Life Insurance Co. Ltd.**

**Order dated: 12.3.07**

**FACTS :** Shri Bal Krishan purchased a money back plan for a S.A. of Rs.1 lakh on 27 Jan,2004. The first money back refund cheque was due on 27.1.07, which was not received. He was informed by the Mumbai office that the cheque was sent to the Chandigarh branch on 19.1.07. In spite of regular follow up with the Global Call Centre as well as Chandigarh branch office, the matter was not resolved.

**FINDINGS :** The insurer informed that the cheque for Survival Benefits are generated and dispatched to the policyholder ten days in advance before the due date. In the instant case a cheque for Rs. 10,000 being the Survival Benefit was dispatched to the complainant on 17.1.07. On receiving telephonic complaint from the policyholder on 07.02.2007 complaining that he has not received the cheque, a fresh cheque was issued on 10.2.07 and dispatched to Chandigarh branch office. In the meantime a complaint from the Hon'ble Ombudsman's office was also received on 22.2.07. On careful examination of the facts, it was found that the complainant had called up the call centre on 17.1.07 intimating that his address has been changed. However, before updating the new address the payout cheque had already been generated and dispatched at the existing address. The fresh cheque bearing no. 396358 was collected by the complainant's representative on 23.2.07 from Chandigarh branch office duly acknowledged. During the course of hearing the complainant wanted the insurer to be penalized by making payment of interest to him. The insurer stated that they had dispatched the cheque on 17.1.07. On receiving a telephonic complaint on 7.2.07, another cheque was issued on 10.2.07. It appeared that first cheque could not be received because of change of address. The fresh cheque had been collected by the complainant's representative on 23.2.07 from Chandigarh branch office.

**DECISION :** Held that payment had been received by the complainant within 30 days of the due date. As per IRDA guidelines no interest is payable if the payment is made within 30 days. The complaint was dismissed.

**Chandigarh Ombudsman Centre**  
**Case No. : LIC/332/Amritsar/Asr-I/21/07**

**Kirpal Singh  
Vs  
Life Insurance Corporation of India**

**Order dated: 17.3.07**

**FACTS** : Shri Kirpal Singh purchased a policy bearing no. 471589355 for sum assured of Rs. 50,000 from BO-I, Amritsar under growth fund. Due to family circumstances he surrendered the policy. On receipt of surrender value he found that he was paid under bond fund due to which he suffered loss. He urged intervention of this Forum for compensating the loss suffered by him.

**FINDINGS** : The insurer informed that the complainant had purchased a single premium policy for Rs.50,000 under Future Plus Plan with Growth Fund. He opted for switch over from Growth Fund to Bond Fund on 5.6.06. At the request of the complainant, surrender value was paid to him on 15.11.06 under Bond Fund. The insurer stated that they were in possession of a letter allegedly written by the complainant stating that he would like to switch over from Growth to Bond fund. When confronted with the letter, the complainant mentioned that he had not applied for the same. The policy had been switched over without an application/knowledge of the complainant. The insurer should not have acted unilaterally in such cases.

**DECISION** : Held that the difference of the amount between the Growth fund and Bond Fund on the date of surrender of the policy i.e. Rs. 9974/- should be paid to the complainant on ex-gratia basis.

**Chandigarh Ombudsman Centre  
Case No. : Aviva/400/Gurgaon/Chandigarh/22/07  
Ritesh Goyal  
Vs  
Aviva Life Insurance Co. Ltd.**

**Order dated: 29.3.07**

**FACTS** : Shri. Ritesh Goyal purchased unit linked policies for self and his family members through the insurer's agent, Centurion Bank of Punjab. Under six policies the insurer issued units at the NAV applicable as on date of about 2 months later from the date of payment without any delay on their part and till then the NAVs had shot up by almost 10%. In yet another proposal applied in the name of Ms. Neena Goyal, the insurer till date after a lapse of six months not yet issued the policy. In spite of repeated telephonic talks, e-mails and personal visits the insurer failed to issue the policy. Feeling aggrieved he and his family members jointly urged intervention of this forum in getting the policies issued on NAV applicable as on date of payment and also issuance of policy in the name of Ms. Neena Goyal on NAV as on date of payment i.e. 25.8.06.

**FINDINGS** : The insurer clarified the position by giving details of each policy as under:

- (a) Ms. Sunita Devi Goyal (LLG 1206181)- the policy was issued on 23.3.06 one day after the receipt of final medical requirements.
- (b) Ms. Neena Goyal (LLG 1205540)- the policy was issued on 27.3.06 soon after when the spouse insurance details were received.
- (c) Sh. Deepak Bansal (LLG 1257140)- the policy was issued on 15.5.06 soon after the clarifications required were received.
- (d) Sh. Uttam Bansal (LLG 1256702)- the policy was issued on 15.5.06 soon after the clarifications required were received.
- (e) Sh. Ritesh Kumar Goyal (LLG 1204438)- the policy was issued on 17.3.06.

- (f) Ms. Renu Goyal (LLG 1205542)- the policy was issued on 17.3.06.
- (g) Ms. Neena Goyal proposal received on 25<sup>th</sup> August'06. The amount of Rs. 80,000 received was kept in deposit till the underwriting was completed. A revised form was filled up on 1<sup>st</sup> Dec'06. The proposal appeared to be beyond permissible limits of sum assured for housewives. A consent for reduced sum assured was accordingly asked which was not received. Hence the proposal was declined and the amount of Rs. 80,000 lying in deposit was refunded.

The insurer also stated that there was some delay on their part in respect of issuance of policies for Sh. Ritesh Kumar Goyal and Ms. Renu Goyal and they were ready to allot additional units on the basis of NAV prevalent on 10.2.06 and 18.2.06 respectively.

**DECISION :** Held that action taken by the insurer in respect of first four policies was in order. In respect of policy mentioned at Sr. (e) and (f) under para (4) above, the offer of allotment of additional units on the dates mentioned above is appropriate and hence the insurer should allot the units by 15.4.07. As far as the refund of amount to Neena Goyal, it was ordered that interest @ 8% be paid by the insurer w.e.f 12.9.06 to 30.11.06.

**Chandigarh Ombudsman Centre**  
**Case No. : HDFC/355/Mumbai/Sangrur/07**  
**Amarjit Singh**  
**Vs**  
**HDFC Standard Life Insurance Co. Ltd.**

**Order dated: 29.3.07**

**FACTS :** Shri Amarjit Singh purchased two HDFC Children's Double Benefit Policies bearing no. 10024133 and 10016794 on 04.05.2004. Premium due for the year 2005 was deposited through the insurer's financial consultant, Sh.Jaideep Singh Sethi on 23.05.2005. However, he received notice for pending premium for the year 2005. He informed the insurer vide letter dated 25.01.2006 regarding the payment, but the matter was not solved. In spite of reminders through e-mail on 27.03.2006 and 10.05.2006, the company has not responded.

**FINDINGS :** The insurer informed that the complainant was given a written clarification on 22.05.2006 in response to his e-mail dated 25.01.2006 and 27.03.2006. It was further informed that they had not received any money towards renewal premium through the agent Mr. Jaideep Singh Sethi. He further stated that this agent of the company had been absconding and is not traceable. He was terminated by the company for similar complaints received against him in past. It was also stated that the company is neither accountable nor liable to the complainant as neither the agent had an authority to collect cash from the client towards premium nor the company is responsible for the negligent attitude of the complainant who handed over the cash to Mr. Jaideep Singh Sethi reposing his confidence and trust in him and was eventually breached. The matter being an act of criminal nature, more particularly, an offence Under Section 405 read with 406 of the Indian Penal Code, 1860 attracting illustration (c) to the Section 405 of the IPC and the same is not maintainable before Hon'ble Insurance Ombudsman under Rule 12 read with Rule 13 of the Redressal of Public Grievances Rules, 1998. The claimant should approach proper criminal machinery for taking criminal action against Mr. Jaideep Singh Sethi if he so desires.

**DECISION :** Held that the complainant had paid the premium through the insurer's financial consultant. As per the company's rules a financial consultant is not authorized to collect cash from the client towards premium. Since the complaint is against the

company's financial consultant the complaint is untenable. As per rule 4(i) & (k) of Redressal of Public Grievances Rules, 1998, this Forum is mandated to entertain complaints against insurer in respect of policies taken on personal lines only. Hence the complainant was advised to approach proper authorities for redressal of his grievance. The complaint is, accordingly, closed.

**Chandigarh Ombudsman Centre**  
**Case No. : SBI Life/399/Mumbai/Chandigarh/22/07**  
**Sohan Lal Soni**  
**Vs**  
**SBI Life Insurance Co. Ltd.**

**Order dated: 29.3.07**

**FACTS :** Shri Sohan Lal applied for a proposal of Rs. 2 lakh along with a cheque of Rs. 24,712 on 4.01.06. On 14.1.06 he opted for enhancement of proposal amount from Rs. 2 lakh to Rs. 2.50 lakh and paid a banker cheque for Rs. 6178 as per the insurer's advice. He did not receive any reply although the amount of Rs. 6178 was encashed. He received the policy on 3.2.06 for Rs. 2 lakh and an amount of Rs. 6207 was shown as excess premium paid whereas he had paid Rs. 6178 particularly towards enhancement of proposal amount. He wanted to know the valid reasons for declining the proposal for Rs. 2.5 lakhs and written to the insurer on 27.3.06. After hectic follow up for the refund of excess premium paid he received the draft dated 3.3.06 on 13.3.06 collected by him personally. He was very much unhappy with insurer's attitude and inefficiency for which he suffered financial loss and demanded compensation at market rate from 14.01.06 to 16.3.06. When the insurer failed to reply he again reminded them on 20.3.06. He has made several telephonic calls to the local branch office only to be assured of false promises. He was surprised to receive a letter dated 17.7.06 in which the insurer has given details of payment of DD and if the same is not received by him, he should provide them with a non-payment certificate from the bank and a blank indemnity form of Rs. 200 to enable them to issue a duplicate demand draft. He was very much annoyed by the reply given by the local branch office when he had written to the head office at Mumbai. Feeling aggrieved, he sought intervention of this forum in getting justice and compensation for shortcoming and harassment meted out to him.

**FINDINGS :** The insurer stated that the medical report was received on 14.1.06 and the policy was made effective from 3.2.06. As far as interest on the amount of Rs. 6207 was concerned they were willing to make payment @8% from 14.1.06 to 12.3.06.

**DECISION :** Held that the commencement of policy from 3.2.06 for sum assured of Rs. 2 lakh was in order. Hence ordered to make payment of interest @ 8% on Rs. 6207 from 14.1.06 to 12.3.06.

**Chennai Ombudsman Centre**  
**Case No. : IO (CHN)/21.02.2377**  
**Smt.A.Uvarani**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 15.12.2006**

Ms.A.Uvarani's life insurance policy-716442381- from LIC of India, Branch XX under Chennai Division II was for a sum assured of Rs.1 Lakh. She was paying the premiums under Salary Savings Scheme. As premiums were deducted from her salary she presumed that her employer was remitting the premiums regularly. In November 2005

she approached Branch XX of Chennai to apply for a loan as the policy had the provision of availing loan after three years' premiums had been paid. To her dismay, she was informed that her policy was in a lapsed condition, as premiums were not received from her employer.

In the hearing the complainant stated that had she received any lapse notice from the Insurer she would have taken up the matter with her employer at that time itself. She produced to this Forum 36 of her original monthly pay slips wherein her employer had deducted LIC premium. The representative of the Insurer informed the Forum that the Paying Authority (PA) used to delay the remittances of the premiums and at present the PA had totally stopped remitting the premiums. The Insurer showed the copies of the demand invoice for the months of November and December 2001 where the policy numbers of Ms.A.Uvarani and three others were struck off denoting that premiums were not remitted. As the Insurer stated that they were awaiting specific details regarding Ms. Uvarani's policy, time was given upto 28.11.2006 to the Insurer to visit the PA and set right the issue. The Insurer was not able to get any further details from the PA.

Based on the Supreme Court Judgement in the case of- "Delhi Electric Supply Undertaking" (DESU) versus "Basantni Devi and ANR" (1999) (where it was recorded- "As far as employee as such is concerned, employer will be agent of the LIC.") the Insurer was directed to set right the due date of premium under Ms. Uvarani's policy.

The complaint was allowed.

**Chennai Ombudsman Centre**  
**Case No. : IO (CHN)/21.003.2376**  
**Smt.Seena Girikumar**  
**Vs**  
**TATA AIG Life Insurance Co. Ltd**

**Award Dated 29.01.2007**

Smt. Seena Girikumar, obtained from Tata AIG Life a "Health First" policy on 12.04.2005, with policy date as 01.04.2005. Under this "Health First" Policy for 1 unit, she was eligible for the following benefits- Rs.250/- towards Daily Hospital Benefit, Rs.1,25,000/- towards Critical Illness, Rs.12,500/- towards Surgical Benefit, Rs.125/- towards Post Hospitalization Benefit and Rs.1000/- towards Death Benefit. On 03.06.2006 Smt. Seena Girikumar got admitted to City Tower Hospitals, Anna Nagar, Chennai, for removal of the 'Chocolate Cyst' in her ovary. The cyst was removed by 'Laprosopic Cystectomy on 04.06.2006 and she was discharged on 05.06.2006. She preferred her claim with the Insurer for Surgical benefit and Daily Hospitalization Benefit (DHB). The Insurer rejected to admit her claim as it did not fall within the cover of the policy.

In the hearing the complainant stated that she took the policy during March 2005. She had problem of irregular periods, hence she consulted Doctors who advised her to undergo operation for removal of Ovarian Cyst. As advised by the doctor, she underwent Laprosopic surgery in the month of June 2006. Before undergoing operation, she had enquired with the insurer whether she could get her medical expenses reimbursed, for the operation which she was directed to undergo. After her operation, she made her claim with the insurer for reimbursement of medical expenses. She stated she received a reply stating that her claim was denied since that did not fall within the scope of the policy. The insurer stated that the complainant has taken a Health First Life Insurance Policy for one per unit. He stated that the actual medical

expenses are not reimbursed under this product but Specific benefits are attached to this policy.

According to policy conditions the Daily Hospital Benefit for the first three days are to be borne by the policyholder. So Smt. Seena Girikumar was not eligible for the Daily Hospital Benefit and therefore for Surgical Benefit. The Table of Surgical procedure under Section 'K' in the policy documents showed that this operation did not qualify. In the absence of any written confirmation from the Insurer's local office to the policyholder that Laproscopic Cystectomy was covered under the policy, the Forum has to concur with the policy conditions which do not permit payment of 'Hospitalization Benefit'.

The Complaint is dismissed.

**Chennai Ombudsman Centre  
Case No. : IO (CHN)/21.04.2588**

**Sri. R. Rajagopal  
Vs**

**Life Insurance Corporation of India**

**Award Dated : 29.03.2007**

Sri R.Rajagopal obtained an Asha Deep policy from LIC of India, Rajapalayam Branch by submitting a proposal on 06.10.1993. The policy numbered 741243860 was for a sum assured of Rs.50,000/-. Sri R.Rajagopal had to pay the half-yearly premium of Rs.2095/- for 15 years. On 16.09.2003 Sri R.Rajagopal underwent CABG. He preferred his Asha Deep claim with the Insurer on 22.09.2005. The Insurer vide their letter dated 17.05.2006 rejected his claim for benefit B of Asha Deep as the life assured had suffered from Diabetes before the date of proposal and which information he had not mentioned in the proposal. However, the insured offered to continue the policy as an Endowment plan.

The complainant had expressed his inability to attend the hearing dated 21.02.2007. His letter dated 09.12.2006 was read out. The Insurer stated that the Policy had provision to offer certain benefits in cases of specified critical illness suffered by the life assured. The life assured had undergone bypass surgery on 16.09.2003. The operation record issued by the hospital stated that the assured was a known diabetic for 15 years, smoker and had been on Tablet Eltroxin for Hypothyroidism. Since the premium was paid for 12 ½ years they referred the case to the zonal office. The zonal office had instructed them to offer endowment plan with revised premium. The offer was made to the life assured and he had rejected the same. The Ombudsman questioned as to whether they have obtained any other proof that the life assured had suffered from diabetes prior to proposing for life insurance. The representatives replied that the hospital records were submitted by the life assured himself and they did not probe any further in the matter.

That the life assured had undergone CABG was not disputed nor was the Insurer's decision to convert the policy into an Endowment one. However as the Insurer had not gone beyond the Discharge Summary to produce irrefutable evidence to substantiate Diabetes Mellitus for 15 years the Forum awarded a sum of Rs.25,000/- as ex-gratia without affecting the policy which would continue as an Endowment plan till it matured in September 2008.

The complaint is partly allowed.

**Chennai Ombudsman Centre**

**Case No. : IO (CHN)/21.03.2640**  
**Sri. S. K. M. A. Mohamed Ibrahim**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 29.03.2007.**

Sri S.K.M.A.Mohd.Ibrahim submitted a proposal for life insurance on 13.03.2001 to LIC of India, Erode North Branch and obtained an "Asha Deep II" policy. The benefits of Asha Deep policy are – Sum Assured + Bonus on maturity/death and Benefit B which reads as follows:

"If any one of the contingencies given in Para 11(b) subject however to the conditions mentioned in Para 11(a) of the "Conditions and Privileges" within referred to occurs during the term of the policy then the following benefits will be available.

Immediate payment of 50% of the sum assured.

Payment of balance of 50% of the sum assured along with vested bonus, if any, in the event of the life assured surviving the stipulated date of maturity or at his death if earlier.

Payment of an amount equal to 10% of the sum assured, every year, commencing from the policy anniversary falling on or immediately after the date of eligibility for Benefit (B) and ending with the policy anniversary preceding the stipulated date of maturity or the date of death of the life assured, whichever is earlier.

Waiver of premiums, if any (including accident premium) due from the policy anniversary falling on or immediately after the date of eligibility for Benefit (B)." Sri S.K.M.A.Mohammed Ibrahim got admitted in G.K.Naidu Memorial Hospital and Coronary Angiogram and PTCA with stenting to OM3 were done on 04.10.2004. Sri S.K.M.A.Mohammed Ibrahim preferred with the Insurer the amount claim that he would be eligible under benefit B of Asha Deep policy. The Insurer rejected his claim as this benefit is payable only if Coronary Artery bypass grafting is done and Coronary Angiogram did not come under Asha Deep Benefit B.

The complainant made a claim under this policy for Angioplasty done for him at G.K.N.M. Hospital, Coimbatore. Angioplasty was done as 4 blocks were detected. The complainant's main contention had been that due to Medical advancement, in future there might not be by pass surgery itself. As he had been in an unconscious state and therefore not in a position to decide whether surgery had to be undergone or not, he had acted as per the advice of the doctor. Even now he was taking medicines and diet as prescribed for a person who had undergone bypass operation.

The Insurer had rejected to pay the Asha Deep II Policy benefit 'B' as it was for Coronary Artery Bypass Grafting. Coronary Angiogram did not come under Asha Deep benefit 'B'. This exclusion clause was also known to the LA as he had signed an Addendum to that effect.

A perusal of the policy bond revealed that-'this policy was not a medi-claim policy but a policy which provided for specific operations'. Unlike the medi-claim policies which are annual contracts, this policy was a long term contract (15 year term) like any other life insurance policy and could not provide for actual reimbursement of the medical expenses that were incurred.

The insurer had only followed the policy conditions.

The Complaint was dismissed.

**Delhi Ombudsman Centre**  
**Case No. : LI/DL-III/201**

**Shri Amit Gautam  
Vs  
Life Insurance Corporation of India**

**Award Dated : 25.10.2006**

Shri Amit Gautam lodged a complaint with this Forum on 13.07.2005 that he had taken a policy No.331394169 for a sum of Rs. 5,00,000/- in March,2005. But after taken this policy, he felt that the terms and conditions of this policy is not suitable to him. Therefore, he had applied for cancellation of this policy and refund of his premium paid to the Corporation. This request was submitted with LIC Unit 33 A, New Delhi on 21.05.2005. He further stated that he has not received the original policy bond and neither the said unit has dispatched this policy till 12.07.2005.

LIC of India, vide their letter dated 12.10.2005, informed this Forum that the policy bond was delivered to Shri Kavi Raj who is a common acquaintance to the life assured and the agent and Shri Kavi Raj is confirming the receipt of policy bond on 25.05.2005 through Smt. Preeti Kumari-agent but the policy holder is still not convinced. They had written several letters to the life assured on 28.09.2005, 15.10.2005 and 30.11.2005 to this effect.

At the time of hearing, Shri Amit Gautam informed this Forum that he had no information that Shri Kavi Raj received the policy bond and he did not know him. On enquiry from the representative of LIC of India by this Forum how this policy was handed over to the agent Smt. Preeti Kumari since Shri Gautam has given Bikaner address? Why it was not sent under Registered Post ? The representative of LIC of India informed that as per the decision of the Corporation, since this was a unique policy, it has been decided to hand over the policy personally to the life assured.

Shri Amit Gautam was not present at home and, therefore, the policy was handed over to the concerned agent. On enquiry from Shri Amit Gautam by this Forum why he did not contact the agent when the policy was not delivered, he said that the agent was known to a colleague of his, as such, he approached him but the agent could not be traced. On further enquiry by this Forum from the representative of LIC of India when they had received a complaint from Amit Gautam that he has not received the policy bond, why a duplicate policy bond could not be issued? The representative of LIC of India was not able to give any reply to this query.

On examination of the papers submitted and after hearing both the parties, the policy bond having not been received by Shri Amit Gautam, there has been deficiency of service on the part of LIC of India. Since Shri Gautam has requested for cancellation of the policy on 21.05.2005, LIC of India has been on risk till this date. As such LIC of India is entitled to keep the risk premium with them. Shri Amit Gautam must have availed of tax benefits since he has taken the policy in March,2005. It is justifiable for LIC of India to retain risk premium.

I, therefore, pass the Award that LIC of India should refund the premium along with 8% interest after deducting the risk premium from the premium paid by Shri Amit Gautam up to 21.05.2005.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

**Delhi Ombudsman Centre  
Case No. : LI/DL-1/369  
Shri Satish Kumar**

**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 17.11.06**

Shri Satish Kumar had lodged a complaint with this Forum on 01.02.2005 that he had taken two policies No.120112799 and 121347383 through Salary Savings Scheme. The premium of these policies were paid by his employer Delhi Jal Board from time to time. He was to receive survival benefit claim against the above two policies for Rs.20000/- in February,2004 and November,2004 which he has not received. He has been continuously following up the matter with LIC of India for the last one year. The grievance of the complainant was also heard on 24.03.2006 and 26.06.2006 when he had given the details of payment made by his employer to LIC of India.

At the time of hearing, LIC of India informed that they had made payment of Rs.17080/- against policy No.120112799 after deducting an amount of Rs.2920/- for the gap premium not received on 31.05.2006. They had subsequently reconciled their accounts and thereafter paid an amount of Rs.2336/- to Shri Satish Kumar on 11.10.2006. Against Policy No.121347383, an amount of Rs.17050/- was paid after deducting of Rs.2950/- being the premium not received. They had subsequently refunded an amount of Rs.2660/- on 11.10.2006.

At the time of hearing, Shri Satish Kumar contested that when LIC of India could receive the payment regularly how could there be a gap in the policy when they have received the premium for the subsequent months. As such, the deductions made by LIC of India be refunded to him along with the interest.

LIC of India contested that they have tried to tally their accounts for which the premium has not been received they have not received the necessary information from Delhi Jal Board, as such, they are unable to pay the deduction made by them to Shri Satish Kumar.

After hearing both the parties and on examination of the papers submitted, I pass the Award that Life Insurance Corporation of India should make the payment for the balance amount along with 8% interest against the premium not received since subsequent premiums have been received and accounted for by them, to Shri Satish Kumar.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

Copies of the Award to both the parties.

**Delhi Ombudsman Centre**  
**Case No. : LI/DL-1/238/05-06**  
**Shri Indur Mansingh Balchandani**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 17.11.06**

Shri Indur Mansingh Balchandani lodged two complaints with this Forum on 29.08.2005.

- (I) Varistha Pension Bima Yojana : Shri Indur Mansingh Balchandani made a complaint that he had put up a claim for Rs.2,55,845/- which was the purchase price of policy, was paid for Rs.254,530/- that is, deduction was made of Rs.1315/- which was not authorized as per policy. He has requested the Forum to ask LIC to pay Rs.1315/- plus 12% interest per annum with effect from 01.11.2004 to 24.01.2005, the date cheque was received for Rs.254,530/- at Mumbai. An annuity amount of 20 days

from 01.09.2004 to 20.09.2004 (the day life assured expired) that is Rs.1333.33 plus interest thereon for lateness @ 12% per annum.

LIC of India, vide their letter dated 10.11.2006, informed the Forum that the deduction of Rs.1315/- was rectified by making payment of Rs.2630/- vide cheque No.611297 dated 14.12.2005 and the same was encashed on 20.02.2006 by life assured. Penal interest of Rs.5015/- was payable and the same was paid vide cheque No.611295 dated 14.12.2005 which was encashed on 16.01.2006. Income tax at source was deducted vide cheque No.611294 dated 14.12.2005 for Rs.511/- and submitted to Income Tax Department. Annuity amount was paid of Rs.1315/- for the period 01.09.2004 to 20.09.2004.

- (II) Transfer of Policy No.110125773 – Jeevan Akshay. The complainant, Shri Indur Mansingh Balchandani had requested LIC of India to transfer the above policy to Bombay Branch Unit 926. Despite personal visits to Delhi office and written letters, this policy records were not being transferred presumably because they are mislaid or no effort was being made to trace records. His pension amount is held up since May/June-2005

LIC of India, vide their letter dated 10.11.2006, informed that the said policy stands transferred on 20.09.2006.

The complainant had requested that three other policies No.110933257,110126419 and 113529213 have partially been transferred to Branch Unit 926 at Mumbai as per the dealing person of LIC of India told that complete records are yet to be received. He has requested that LIC of India should confirm that these policies have been transferred to Branch Unit 926. Mumbai.

LIC of India, vide their letter dated 10.11.2006, have confirmed that these policies have been transferred to Branch Unit 926, Mumbai.

Since the grievances of the complainant have been resolved by LIC of India, there is no further relief to be granted to the complainant.

The complaint is disposed of finally.

**Delhi Ombudsman Centre**  
**Case No. : LI/DL-1/234/05-06**  
**Shri Prem Narain Datt**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 17.11.06**

Shri Prem Narain Datt lodged a complaint with this Forum on 09.07.2005 that his policy No.6332632 which got matured December,1999 and LIC of India had paid him Rs.33124/- against the maturity claim of Rs.55888/-. Rs.2760/- was deducted towards the loan taken by him and Rs.20064/- as interest on the initial loan for Rs.2760/-. LIC of India has charged interest from the date he has taken the loan. He had accepted the payment of Rs.33124/- under protest. He was able to produce 10 receipts towards loan interest payment. LIC of India has paid him balance of Rs.1242/- along with penal interest of Rs.545/- on 24.02.2005. He has contested that he had fully paid the loan as well as interests on he loan amount regularly and he has been writing to LIC of India periodically to let him know the balance amount, if any, payable by him. In this connection, he has produced letter dated 21.06.1989 wherein he had written letter to LIC of India to let him know the balance amount due against the loan raised by him upto 03.08.1989. He had further produced a letter dated 28.04.1989 wherein he has mentioned that he has sent a cheque for Rs.2000/- being the payment against the loan.

In his letter dated 17.10.2001 addressed to LIC of India, he has mentioned that in his letter dated 06.03.2000, explaining in detail along with 29 enclosures of various letters which are irrefutable evidence which lay it threadbare that he had repaid the principal amount vide cheque No.0021248 dated 08.05.1989 drawn on Central Bank of India which got cleared from his bank on 14.03.1989 as per the note on his letter dated 21.06.1989. He has requested for the receipt which was not received by him from LIC of India.

At the time of hearing, Shri Datt contested that he has fully paid Principal and loan interest amount to LIC of India and as such, the sum of Rs.22764/- be refunded to him. He has also further contested that he has furnished to LIC of India the details of his brother's policy who also named as P.N.Datt but LIC of India has not taken any steps to reconcile whether any amount paid by him was credited to his account. He has requested this Forum that Rs.22764/- be refunded by LIC of India to him. Shri Datt has also informed the Forum that he has taken up the matter with his bankers, that is, Central Bank of India, to furnish the details of payments made to LIC of India against the loan amount as well as the interest paid but they had shown their inability since they do not keep the records for more than 10 years.

LIC of India, during the course of hearing, contested that they had rightly deducted a sum of Rs.22764/- and it was for Shri Datt to present the details of principal and interest amount paid by him. LIC of India subsequently, on his production of various receipts, has paid the balance amount of Rs.1242/- along with penal interest of Rs.545/- on 24.02.2005.

After hearing both the parties and after careful consideration of the facts, it is observed that on receipt of payment of maturity claim vouchers, Shri Datt had first written to LIC of India on 07.01.2000 that he was discharging the said vouchers under protest of which the payment was received on 10.01.2000. LIC of India having received the complaint in the year 2000 should have acted immediately and try to resolve the issue. The representative of LIC of India informed this Forum that the records are not available and as per the records submitted by Shri Datt, they have made the balance payment. I do not agree with the contention of LIC of India that the life assured should produce the receipt against the payment as, at times, the receipts are not dispatched to the life assured and Shri Datt has written to them and has not received any reply from LIC of India.. The receipts which have been produced by Shri Datt are available till 1989, as such, he should be given the full benefit for the period the payment of interest upto 28.06.1984. Further, the repayment of loan of Rs.2000/- should be taken into consideration as he has provided the cheque details along with the date of debit of his account. LIC of India should work the deduction as follows:-

Date of Loan : January,1976 @ 9% per annum  
Amount of Loan : Rs.2760/-  
Hly Instalment : Rs.124.20 from 02.08.1984 to 08.03.1989  
Repayment of loan : Rs.2000/- on 08.03.1989  
Balance Outstanding: Rs.760/-

Interest @ Rs.34.20 on outstanding loan of Rs.760/- from 08.03.1989 to 12.1999.

After calculating the amount on the above basis, the balance may be paid after deducting the above amount from Rs.22764/-. LIC of India should pay interest @ 8% per annum on the amount payable from January,2000 till the time the payment is made.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

**Delhi Ombudsman Centre**  
**Case No. : LI-AJ/89/06**  
**Sh. Mand Raj Chowdhary**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 23.11.06**

My office has received a complaint on 19.06.2006 from Sh. Mand Raj Chowdhary, that the Life Insurance Corporation of India, Divisional Office-Ajmer, has not paid Double Accident Benefit claim under the policy No.185084737.

During the hearing on 15.11.2006 the representative of The Life Insurance Corporation of India, Ajmer Division, has informed vide their letter dated 13.11.2006 that the Double Accident Benefit claim is repudiated on ground of breach of law (Three persons including the Life assured were riding on Motor cycle at the time of accident and all the three died in the Road Accident). I uphold the decision of Life Insurance Corporation of India repudiating the claim under the Double Accident Benefit of the policy.

No further relief is to be granted to the complainant.

The complaint is disposed of.

**Delhi Ombudsman Centre**  
**Case No. : LI-DL-I/399**  
**Shri Giridhari Pandey**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 28.11.06**

Shri Giridhari Pandey has lodged a complaint with this forum on 03.03.2005 that Life Insurance Corporation of India, Divisional Office- I, Delhi, has not settled his Disability claim under Policy No.112132901.

The complaint was heard on 24.11.2006. The complainant Sh. Giridhari Pandey was present and Life Insurance Corporation of India was represented by Ms. Ranjana Kumar, Manager (claims), Sh. Rakesh Bajaj, AO (claims) and Ms. Jyoti Toppo from Branch Office-11- X. During the hearing the representatives of the Life Insurance Corporation of India has informed that they have settled the disability benefit payment for Rs. 10192/- vide their cheque No. 33275 dated 23.11.2006 for the period from 10/2002 to 10/2006, which they handed over to Sh. Giridhari Pandey the complainant. Future payments will also be paid by Life Insurance Corporation of India regularly.

There is no further relief to be given to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : LI-AJ/73/06-07**  
**Shri Ashok Khanna**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 14.12.06**

My office has received a complaint from Shri Ashok Khanna on 19.07.2006 that Life Insurance Corporation of India, Divisional Office- Ajmer, has not sent the Pension chques.

During the hearing fixed on 15.11.2006 Shri Ashok Kumar was absent and the representative from Life Insurance Corporation of India, Divisional Office- Ajmer confirmed vide letter dated 3.11.2006 that they have changed the address and Pension cheque are being sent at new address.

There is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : LI-DL-I/53/06-07**  
**Shri Tharvinder Singh**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 7.12.06**

Shri Tharvinder Singh has lodged a complaint (through GBIC) with this forum on 28.07.2006 that Life Insurance Corporation of India, Divisional Office- I, Delhi, has not refunded his double premium paid by him under policy No.113411024.

On intervention of this office, the Life Insurance Corporation of India, Divisional Office- I, has informed vide their letter dated 04.12.2006 that the premium amount has been refunded by them vide their cheque No. 765736 dated 16.09.2006 of Rs. 12792/-, and the cheque has also been encashed by the complainant on 27.09.2006.

Under the circumstances, there is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : .LI-DL-I/94/06**  
**Shri Anujit Ganguli**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 14.12.06**

Shri Anujit Ganguli had lodged a complaint with this forum on 03.10.2006 against Life Insurance Corporation of India, Divisional Office- I, Delhi, regarding the non payment of Pension Cheques under Annuity No. 23545.

On intervention of this office, the Life Insurance Corporation of India, Divisional Office- I, has informed vide their letter dated 12.12.2006 that the pension payment from Aug 2006 to Nov. 2006 was delayed due to the reason that existence certificate was received by Life Insurance Corporation of India in the month of Oct. 2006 only. Now, the payment has been made to the complainant by Life Insurance Corporation of India.

A letter dated 11.12.2006 from the complainant is also received stating that the complaint is resolved with the intervention of this office and now he has no complaint against Life Insurance Corporation of India .

Under the circumstances, there is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : LI-DL-I/59/06**  
**Shri Inder Jeet**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 28.12.06**

My office has received a complaint from Shri Inder Jeet on 07.08.2006 against Life Insurance Corporation of India, Divisional Office -I, Delhi, regarding the non receipt of Policy Bond under policy No. 113973145.

During the hearing on 27.12.2006 the complainant Shri Inder Jeet was absent and the Life Insurance Corporation of India, Divisional Office -I, was represented by Shri R.P. Sharma (SBM), Ms. Sangeeta Sachdeva A.A.O. (NB). The representatives of Life Insurance Corporation of India has confirmed vide their letter dated 14.12.2006 that the Policy Bond has been despatched vide Speed Post No. EE293738919IN dated 29.3.2005 at the address which was given in proposal form and the same has not been received back as undelivered. The Life Insurance Corporation of India has also informed the complainant vide their letter dated 26.11.2005 accordingly.

There is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**

**Case No. : LI-DL-II/30/06**

**Shri S.S. Nanda**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 28.12.06**

My office has received a complaint from Shri S.S. Nanda on 01.05.2006 against Life Insurance Corporation of India, Divisional Office -I, Delhi, regarding the non receipt of his annuity payment under policy No. 120556440.

Life Insurance Corporation of India, Divisional Office – I, has informed vide their letter dated 22.12.2006 that they have paid penal interest for the period from 20.1.2006 to 07.12.2006 amounting Rs.381/- vide their cheque No. 127169 dated 16.12.2006 and the cheque was despatched on 17.12.2006.

There is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**

**Case No. : LI-DL-I/63/06**

**Sh. Shyam Singh**

**Vs.**

**Life Insurance Corporation of India**

**Award Dated : 29.12.06**

My office has received a complaint on 21.08.2006 from Shri Shyam Singh, against the Life Insurance Corporation of India, Divisional Office-I, Delhi, regarding non settlement of Survival Benefit claim under Policy Nos.112693221 & 112693222.

Life Insurance Corporation of India, Delhi, Divisional Office-I, has informed vide their letter dated 08.12.2006 that they have paid Survival Benefit claim under policy No. 112693221 for Rs. 18806/- vide their cheque No. 275332 dated 8.12.2006 and Rs. 19403/- vide cheque No. 275333 dated 8.12.2006 under policy No. 112693222. The interest on delayed payment has also been made by Life Insurance Corporation of India vide their cheque No. 275477 dated 14.12.2006 for Rs. 5180/-

In the circumstances, there is no further relief to be granted to the complainant. The complaint is disposed of finally.

**Delhi Ombudsman Centre**  
**Case No. : LI-DL-II/64/06-07**  
**Shri H.R. Chugh**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 29.12.06**

My office has received a complaint from Shri H.R. Chugh on 21.07.2006 that Life Insurance Corporation of India, Divisional Office- II, Delhi, has not sent the Pension cheques without commutation under Policy Nos. 112779419 & 112779093.

The Life Insurance Corporation of India, Divisional Office- II, Delhi, has informed vide their letter dated 26.10.2006 that the pension in both the policies have already been revised and they have sent the cheque for difference in pension vide their cheque Nos. 485989 & 485988 dated 08.08.2006. The complainant has also confirmed on phone that he has received the money from Life Insurance Corporation of India and now he has no complaint against LIC of India.

There is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : LI-DL-I/52/05**  
**Shri Jai Prakash**

**Vs**

**Life Insurance Corporation of India**

**Award Dated : 29.12.06**

My office has received a complaint from Shri Jai Prakash on 11.04.2005 against Life Insurance Corporation of India, Divisional Office -I, Delhi, regarding the adjustment of premiums under policy No. 111704308.

During the hearing on 27.12.2006 the complainant Shri Jai Prakash was present and the Life Insurance Corporation of India, Divisional Office -I, was represented by Smt. Santosh Bakshi Manager (PS/SSS), Sh. R.K. Premi A.O (SSS) and Ms. Renu F. Sethi A.O. (PS/Claims). The representatives of Life Insurance Corporation of India have confirmed vide their letter dated 23.12.2006 that under the policy there were 54 Gaps of premiums out of which 53 Gaps have been dropped and only one Gap of November-2000 exists. Complainant agreed that this Gap premium of Nov-2000 will be deposited by him from his own pocket.

Now, there is no further relief to be granted to the complainant.

The complaint is disposed.

**Delhi Ombudsman Centre**  
**Case No. : LI- ICICI-104/06**  
**Smt. Suman Sharma**

**Vs**

**ICICI Prudential Life Insurance Co. Ltd.**

**Award Dated : 29.12.06**

My office has received a complaint on 26.10.2006 from Smt. Suman Sharma, against the ICICI Prudential Life Insurance Co. Ltd., regarding disputed premium under Policy No. 00157493.

ICICI Prudential Life Insurance Co. Ltd., has informed vide their letter dated 11.12.2006 that the premium under the above said policy has been received by them and now the policy has been reinstated.

In the circumstances, there is no further relief to be granted to the complainant. The complaint is disposed of finally.

**Guwahati Ombudsman Centre**  
**Case No. : 21/01/039/L/06-07/GHY**  
**Md. Ismail Ahmed**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 04.12.2006**

**FACTS**

In brief, Life Assured (L.A.) Ismail Ahmed states his truck (he being driver) met with an accident on 05.01.04 (7.00 p.m.) in West Bengal as a result the truck was damaged and he sustained serious injuries on one hand and one leg leading to his disablement to earn bread. That he lodged the claim under the policy in question and with much difficulty and expenses furnished requisite documents but the Opp. Party/LICI finally refused to grant any relief to him pushing him to distress and probable ruin of his family and self.

**Reply by LICI**

As per the self-contained note of the LICI the L.A. 'suffered injuries upon right leg & right hand having 50% disability and undertook treatment at National Institute for Orthopaedically Handicapped (NIOH), Kolkata, but was not granted any certificate of amputation of limbs by said NIOH. That—"mere disablement or complete damage does not mean permanent disablement. Amputation of both feet and both hands or amputation in one hand and one foot shall be deemed to constitute disabilities under which the benefit under the policy is payable. Our investigation also showed that the L.A. has Right leg & Right hand got completely disabled. I.O did not indicate any amputation occurred". — ( quoted as it is from self-contained note). That the DMR (Divisional Medical Referee) opined that future recovery in such case, is possible. That if totally disabled how could he put his signature in the complaint-letter when it is not mentioned that he used left hand in doing so i.e., putting signature etc?

**DECISIONS & REASONS**

In substance this is a case of EPDB (Extended Permanent Disability Benefit). It appears that LICI wanted to take defence and support under policy condition no.10.4 in order to justify its decision of repudiation of the claim although not specifically hammered out in self-contained note (SCN).

It is one of the specific benefit coming under the general 'Heading' of 'Accident Benefits'. If we read it carefully, we will find that it means and illustrates that —

The 'disability' referred to must be 'disability' which is the result of an accident,

The disability must be total and permanent,

The disability is such that there is neither then nor at any time thereafter any work, occupation or profession that the Life Assured can ever sufficiently do or follow to earn or obtain any wages, compensation or profit.

The second sentence of the condition no.10.4 explains, what is 'also' or 'deemed to' be such 'disability' from 'accidental injuries' taking place within 180 days and independently of any other causes etc. etc.

The questionnaire answered by the Doctor in the prescribed format of the Life Insurance Corporation of India has also mentioned that the Life Assured may suffer for the whole life and cannot do heavy works and he walks by limping. The enquiry report submitted by Branch Manager (i/c) of Bilasipara Branch of LIC also concluded that the right leg and right hand of the Life Assured is completely disabled at the time of enquiry. Therefore, we find that the LIC/Opp. Party came to a wrong decision by improper interpretation of the policy condition 10.4 and accordingly, the claim was refused on inappropriate and untenable grounds.

We are unable to approve the decision of the LIC. The repudiation of the claim is liable to be set aside, which we hereby do.

In the result, it is directed that the EPDB is to be granted immediately to the complainant. The complainant will be entitled to simple interest at the prevailing rate (i.e. @ 6%) from the date of repudiation till final payment is made.

**Guwahati Ombudsman Centre**  
**Case No. : 22/01/046/L/06-07/GHY**  
**Md. Abdul hamid Chaudhury**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 04.12.2006**

**FACTS**

This complaint was registered on the strength of complaint letter addressed to Ombudsman by Md. Abdul Hamid Chaudhury, the life assured, who is holder of a Bima Plus policy, sum assured being Rs.50,000/-, with 'HLY' mode of premium payment. It is stated that the premium deposited by him on 06/04/05 (due on 08/03/2005) and 04/10/05 (due on 08/09/2005) did not reach the destination including amount of the commencing premium totalling of Rs.7,500/- and he and he came to know subsequently on 08-03-2006 that his policy has been lapsed. Later on, from the Divisional Office, Silchar, he could come to understand that the premium paid by him at Karimganj Branch of LIC did not reach the Divisional Office, Silchar. Vide subsequent letter dated 20/10/06, (received here on 27/10/06), the complainant has informed that he has complied with the request of Manager (PS/SSS), LIC, Silchar by making payment of Rs.5,000/- by demand draft for premium due on 3/2006 and 9/2006 as required but resents the negligence of the LIC, Karimganj/Silchar for the harassment, insult, mental torture and financial loss etc., he had to undergo in the process.

The Branch Manager, Karimganj Branch, vide his letter dated 03/11/2006 has informed that the matter has been settled and policy in question has been regularized. A copy of the status report of the policy has been forwarded along with the letter aforesaid.

**Decisions & Reasons**

We have tried to understand the pain the insured had felt vide his letter dated 17/09/06 addressed to the Manager (PS/SSS), LIC, Silchar Divisional Office, whereupon he has stated as follows :-

"In this context I am to inform you that upon receipt of your revival quotation against Policy No.491596625 on Dated 26.04.2006 along with DGH, I had contacted Mr. S. Deb, AAO, Karimganj. Mr. S. Deb instead of listening to my contention has insulted me

and misbehaved with me so badly and even informed me that A.O. Silchar cannot advise him by name of official letter on this matter.”

In the context of this matter and from the facts given aforesaid, it would be seen that the complainant/insured had to suffer for no fault of his own at the whims of the concerned personnel of the LIC. The complainant has enclosed the photo-copies of the first, second and third premium receipts issued by Karimganj Branch of LIC.

This is a Bima Plus policy and we understand that Net Asset Value (N.A.V.) is to be determined on the date of deposit of the premium. It is not clear whether the LIC has compensated the insured by making payment of the difference of the N.A.V. as on the date of the actual deposit and that on the date on which the adjustment was done. If it has not already been paid, it is to be paid without any further delay with reasonable interest for period of delay.

**Guwahati Ombudsman Centre**  
**Case No. : 22/01/071/L/06-07/GHY**  
**Sri Jawhar Dutta**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 05.12.2006**

**FACTS (Statements and counter statements of the parties)**

This complaint was registered under Rule 12 (1)© - [Any dispute in regard to premium paid or payable in terms of the policy]- of the Redressal of Public Grievance Rules, 1998. The allegation is that 'YLY' premium of the policy in question was deposited at Dhubri Branch of LIC by cheque bearing no.0332298 dated 13.03.06 drawn on State Bank of India, Dhubri Branch for Rs.6,198/-, but the same was returned to the depositor with information that the cheque was dishonoured on the ground of 'insufficient balance'. That on receiving back the cheque, the complainant enquired into the matter and informed the LIC that there was sufficient fund in his bank account for honouring the cheque. That the cheque was not presented for second time at SBI/Dhubri for collection causing loss to him because deduction was shown in his income tax return etc. and hence this complaint.

The contention of the LIC is that cheque in question was received by it on 13/03/06 and the same was lodged at its bank UBI/Dhubri Branch but the bank returned the cheque stating that it has been dis-honoured on 'insufficient fund'. The LIC thereafter re-submitted the cheque to the bank with clarification from drawer/insured on fund position etc., for taking necessary action. However, appropriate action was not taken from the side of the bank, causing a delay of more than 6/7 months. It is further submitted that the concerned bank of LIC desired to settle the matter by paying compensation to the drawer of the cheque for delay etc. but he (insured) did not cooperate etc.

**Decisions & Reasons**

It appears that the premiums have remained unpaid till date due to the dispute regarding the encashment of the cheque deposited with LIC. From the several correspondences, we find that due to the activity of the bank (UBI) concerned in not forwarding the cheque to proper place for encashment caused the hindrance in the timely payment of the yearly premium. However, there cannot be any dispute that payment of the premium is the primary duty of the insured and he is duty-bound to see that the premium is paid and duly received by the insurer in order to keep the policy in running condition. Generally depositing premium by cheque is a conditional payment

subject to encashment of the cheque. In our opinion, when it came to the knowledge of the insured that the premium has not been deposited, due to non-encashment of cheque he could have taken the alternative easily by depositing the premium in cash and cancelling the cheque which was returned to him in order to save the policy from being lapsed for non-payment of premium due. The dispute regarding non-encashment of the cheque by the fault of the banker of the LIC is entirely a different dispute which could have been disjoined prudently in order to avoid such discordant conduct of the insured. It is not understood when the bank admitted the mistake and desired to compensate the insured, why he was not co-operating with the offer in order to solve the problem ? In our opinion, it is the insured who is to be blamed for the unpleasant situation. Nobody can ensure that there will not be any mistake while discharging one's duty. To err is human. The appropriate action in such situation is to seek and go for the remedy forthwith when the mistake is detected without trying to jumble up the matter and playing discordant tune.

Be that as it may, there is no wilful default on the part of the insured in payment of the premium due and respecting this intention the matter may be solved now, by waiving the late fee etc. and accepting the premium in cash by the LIC notwithstanding the fact that the problem was magnified unnecessarily by the insured without following the appropriate or right course of action in the direction to solve the problem easily at the earliest point of time.

The insurer is directed to accept the 'Yly' premium by receiving the same in cash and issuing appropriate receipts.

**Guwahati Ombudsman Centre**  
**Case No. : 24/01/104/L/06-07/GHY**  
**Mr. Faysar Ali Sarkar**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 06.12.2006**

**Grievance**

Non-payment of second survival benefit (S.B) due on 10.03.06 in spite of policy loan amount of Rs.7680.00 repaid on 24-03-06 etc.

Reply from LIC

LICI, through Sr. Branch Manager, Dhubri, states that after deducting the O/s (outstanding) loan amount along with interest (i.e., Rs.8053/-), the balance of S.B. amount of Rs.1917.00 was paid by cheque dated 17.03.06. That 7 days thereafter and on 24.03.06 the O/s loan amount with interest was repaid by the insured in cash. That the balance of S.B. of Rs.1917.00 aforesaid was incidentally handed over to Sri Gautam Nandi, a development officer, in order to hand over the same to the insured. That the two cheques for refund of Rs.8083.00 and Rs.1917.00 are ready for dispatch as the S.B etc.

**Development during Pendency**

The aforesaid reply of the LICI was challenged by the insured/complainant vide his letter dt. 23-11-2006 stating that such statements of Branch Manager, LICI, Dhubri were false, misleading, fraudulent etc., and there was no meaning in handing over cheque to development officer not known to him at all and that there was unexplained delay of more than seven months even for such refund of overpaid amount. However, he admitted in the latter part of his letter the receipt of the aforesaid two cheques on 18.11.2006 but resented the misbehaviour of the Branch Manager.

## **Decisions & Reasons**

It appears from the aforesaid statements of Life Assured that the grievance has been almost resolved excepting the allegation of retaining the amount due to the complainant on the count of survival benefit (SB) beyond the time of expectation. The complainant also resented the behaviour of the Branch Manager concerned as according to him he was casual, unattentive and made false and misleading statement unbecoming to officer of his stature and acted against the interest of the Corporation and satisfaction of the customers. We also feel that the resentment has substance and conduct of the Branch Manager was neither justified nor appropriate for the growth of the institution vis-à-vis his admission that he handed over the balance of sum due to complainant to a development officer without any notice to the life assured/complainant.

However, excepting the question of delay in refunding the excess amount deposited by him or the timely payment of the survival benefit, as the case may be, there is no other serious resentment now subsisting in this complaint. Thus, we are of the opinion that a lump-sum amount of interest for delayed refund of amount due, by way of ex-gratia relief, will meet the end of justice and we have considered the same and assessed the amount roughly as Rs. 500/- to be paid now to the complainant/insured.

**Guwahati Ombudsman Centre**  
**Case No. : 22-25/01/073/L/06-07/GHY**  
**Sri Debadyuti Sarma**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 13.12.2006**

### **The Grievance of the Complainant**

The grievance of the complainant is that he deposited an amount of Rs.10,000/- under single premium pension policy on 30/05/2005 at Nagaon Branch of LIC. That after a long period, the first premium receipt was issued to him bearing policy no. 483653683 showing instalment of premium as Rs.9470/-. That he wrote to LIC for corrections but there was no response. That on his query for the connected proposal form, the LIC replied that it was not traceable in its office. That even after 18 months, he is yet to get any clear reply from the LIC and hence this complaint.

### **Views expressed by LIC**

The Nagaon Branch of LIC by letter dated 13/11/2006 addressed to us submitted that the complainant proposed for plan 169, sum assured Rs.50,000/- under single premium mode for which he had deposited Rs.10,000/- on 30/03/2005. That the deposit was much less to the required premium as the single premium for the proposal in question comes to Rs.48,945/-. Therefore, this was adjusted under 'Yly' premium mode for which premium was Rs.9470/- and the branch was waiting for permission to refund the balance of the deposit etc. The submission of Guwahati Division of LIC vide its letter dated 06/12/2006 goes as follows.

"The L/A applied for SP 50,000 tendering 10,000 (Ten Thousand) as initial deposit of Single Prem. Basis in T/T 169-6, vide receipt no.1675922 dtd. 31-03-2005. The Single premium for SA 50,000 at age 37 comes to Rs.48,945/-, the premium SA allowable under the plan is 50,000.

The B.O. on scrutiny issued the policy for 50,000 SA with yly. Prem.9470/- and refunded the balance amt, of Rs.560/- to party on 27-10-05 vide voucher no.311100 dtd

30-10-06. The premium tendered by the party was accommodated with the premium reqd. in yly. Mode instead of single, which is not possible as per rules.

With the available data B.O. has rightly accepted the policy with yly. Premium, which commensurate with the tendered initial deposit.

As desired, the Single prem for Rs.10000/- is inadequate with 50000 SA as per terms and conditions.

So, the case may be dealt with the merit of the terms and conditions of the policy.”

### **Decisions & Reasons**

After going through the contents of the letter quoted above, we find it difficult to understand the meaning of the said letter dated 06/12/2006. Moreover, it is strange that the LIC has not been able to forward any document in the nature of proposal or any other documents under the hand of the complainant/proposer to bind him with any such proposal. From the facts and circumstances aforesaid, it appears to us that the LIC Branch concerned as well as the Divisional Office were acting in most arbitrarily and callous nature which is very unfortunate and as consequence thereof, we are of the opinion that the money due to the complainant should be returned immediately along with reasonable interest at the prevailing bank rate during the period of such retention of the money with the LIC.

Immediately from the date of receipt of the copy of this order, the concerned LIC Branch/Division is directed to make payment of the sum deposited by the complainant along with simple interest as per rates declared by the Reserve Bank of India during the relevant period from the date of deposit till the date the final payment is made.

**Guwahati Ombudsman Centre**  
**Case No. : 22/04/135/L/06-07/GHY.**  
**Shri Rana Bijoy Purkayastha**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 07.02.2007**

### **Grievance**

Briefly stated, the allegations of the complainant/insured is that he agreed to purchase a policy from the insurer (ICICI Prudential Life Insurance Company) on payment of single Premium of Rs. 2,50,000/- with locking period of 3 years but while doing so he was misguided by the Unit Manager, and Agent with connivance of the Branch Manager and the Chief Customer Service and Operations of ICICI in filling up the proposal form for their personal benefits. That the issuance of the policy was delayed for 11 months depriving him from 'Free-look period' of 15 days etc.

### **Reply**

In the self-contained note, the insurer interestingly states that the application for insurance policy was submitted by the complainant on September, 07, 2006 on his own life under Premier Life Plan for a sum assured of Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand only) and had chosen the yearly frequency for paying the premiums with instalment amount of Rs.2,50,000/-. That consequently the policy was issued on September 11, 2005 and was dispatched to the complainant on September 13, 2005 which was received by him on September 16, 2005. That every policy document is accompanied by a letter which clearly mentions that in case the policyholder is not satisfied with the features or terms and conditions of the policy, he can withdraw/return the policy within 15 days, i.e., under the "Free Look Period" provision and that it was done in case of complainant also but he did not approach the company during the said

period for cancellation of the policy. The insurer further submitted that 'Premier Life' Plan is a regular premium plan and cannot be changed to single premium as desired by the complainant. The insurer thereafter has given in the self-contained note the conditions under which the surrender value of the policy can be paid and under what conditions the policy is to be recorded as lapsed one etc.

### **Decisions & Reasons**

Initially before entering into the merit of discussion of rival contentions of the parties, we are constrained to point out the casual manner in which the self-contained note has been forwarded by the insurer is reprehensible. It is written in para 2 of the self-contained note that application for insurance was submitted on September 07, 2006 on own life of the insured/complainant 'under the Premier Life Plan for Sum Assured of Rs.2,50,000/- and the policy was issued by the company on September 11, 2005, that is more than one year before the submission of the proposal. We wonder how it can happen? The improbability of this proposition is clear on the face of record. Be that as it may, whatever statement now is being made by the complainant, he cannot and would not be permitted to deny the liability under what has been written in the application for the proposal. There is a tick mark against mode of Regular Premium stating it to be 'Yearly'. But there cannot be any dispute that sum proposed for the total benefit in the case of the present policy is Rs.2,50,000/- only. In that event how any question of further premium arises ?

Consequently it is hereby ordered that the policy in question will be treated as single premium policy subject to other benefits as per terms and conditions of the policy. Alternatively, however, it will be open for the parties (both insured and insurer) to claim or refund respectively the amount deposited (by the insured) with 9% simple interest from the date of deposit till the date of actual payment is made. If the insured opts for a refund, the payment should be made by the insurer on top priority basis.

The matter stands disposed of.

**Guwahati Ombudsman Centre**  
**Case No. : 21/01/138/L/06-07/GHY.**  
**Sri Prakash Damoder Gadre**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 14.02.2007**

### **Grievance**

The grievance here is non-receipt of full penal interest due to delay in settlement of the survival benefit due on 25/08/2002 in connection with the policy in question. The survival benefit, however, was released and paid on 24/08/2005 with penal interest from February, 2005.

### **Reply**

The LIC Branch concerned has come with a reply that due to non-submission of the requirement, the claim was pending with the LIC and the amount has been paid on 22/08/2005 along with penal interest from February, 2005 on the strength of C.O. Circular effective from February, 2005 which provides that survival benefit may be paid upto Rs.60,000/- without insisting on D.V. & policy document.

### **Decisions & Reasons**

It cannot be denied that it is the duty of the Insurance Company/LICI to make payment of the survival benefit when due. Undisputedly, in the present case, an amount of Rs.40,400/- as survival benefit of the connected policy was due on 25/08/2002 but the

amount could not be paid at that time and there was a delay of about 2 years 11 months 27 days when the part payment was made on 22.08.05. The complainant alleged that the GBO-III Branch of LIC issued D.V. on 08/08/2002 for Rs.40,400/- but the same was not sent to him. On the contrary, it was cancelled by the Branch concerned with the reasons best known to the Branch and the said cancelled D.V. was lying with the policy docket and that the plea of the Branch that 'DV was sent to the life assured but the same was not returned to the Branch with copy of policy' was a false plea. No document is coming from the LIC to counteract this allegation of complainant. The contention/plea of the LIC that 'due to non-submission of the requirement the claim could not be settled earlier' could not be substantiated before us by the LIC by production of sufficient materials. Therefore, the allegations of the complainant have remained unrebutted in order to presume that due to the fault of LIC, full payment was not made on time.

In view of the discussions aforesaid, it is hereby directed that the complainant will be paid balance of penal interests as per the LIC rules calculated w.e.f. the 'due date', i.e., 25/08/2002, till final and full payment is released and make payment accordingly. The compliance of this directions to be intimated to us within reasonable time by LIC.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-003-0078-2006-07**  
**Smt. K. Meenakshamma**  
**Vs**  
**TATA AIG Life Insurance Co.**

**Award dated : 29.10.2006**

Head Notes: Repudiation of hospitalization claim on ground of pre-existing disease – Complaint rejected.

**FACTS OF THE CASE**

Smt. K. Meenakshamma W/o J.C. Sekhar took a Health First Policy for Rs.250000/- from TATA AIG Life Insurance Company. The policy commenced on 05.10.2005 for a term of 12 years. The benefits covered under the policy are Daily Hospital Benefit, Critical Illness Benefit, Post Hospitalization Benefit, Surgical Benefit and Death Benefit.

The life assured underwent mastectomy of left breast on 12.03.2006 at Bangalore and claimed Critical Illness Benefit. Her claim was rejected by the Insurer on 08.04.2006 for reasons of exclusion clauses provided in the contract.

As per the policy conditions, any covered illness the symptoms of which were noticed within 90 days from the date of commencement/issue of the policy, is excluded for payment.

There is another clause in the policy as per which any critical illness, the signs or symptoms of which first occurred within 180 days from the date of commencement/issue of the policy is excluded for payment.

As per the hospital record, the LA approached the hospital with a complaint of pain in left breast for four months prior to consultation. As the history of disease falls within the exclusive clauses, the complaint was not allowed.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-005-0129-2006-07**  
**Sri K.V. Mallya**  
**Vs**

## **HDFC Standard Life Insurance Co.**

### **Award dated 06.11.2006**

Head Notes: Complaint against the insurer regarding foreclosure of policy – relief sought in the form of reinstatement – Both parties agreed for interest payment for a further period – complaint partly allowed.

### **FACTS OF THE CASE**

Complainant is a retired engineer, who invested about Rs. 20,00,000/- (Twenty Lakhs) under five policies of the insurer. Four of these policies were taken under whole life single premium plan and the fifth one was under single premium pension plan. Single premium pension policy was taken in September 2003 and other four single premium whole life policies were taken in March 2004. There was lot of correspondence between the LA and the insurer after issue of the policies about the rate of return. The LA was under the impression that he could get a return of at least 8% on his investment, based on the promises made at the time of sale. After lot of correspondence, the LA realized that he would not get return on his investments as per the projections given to him at the time of sale. Based on the several letters addressed by him to the insurer making allegations, the insurer foreclosed all five policies and issued cheques for a total amount of Rs.23,01,891/-. While making payment, they made it very clear that their offer of payment of interest @ 8% on all policies up to 07.02.2006 was conditional and that it was a package offer. The LA accepted the offer under single premium whole life policies and requested the insurer to continue policy no.239118 for Rs.10,00,000/- which was under a pension plan. The insurer refused to do so and hence the complaint.

A personal hearing was held at Bangalore and both sides were represented. The insurers' contention was that the disputed policy also was foreclosed due to serious allegations made against the company. After discussing various options, the LA wanted payment of interest for a further period from 07.02.2006 to the date of hearing i.e. 17.10.2006. The LA's written offer was sent to the insurer for their comments. The insurer accepted to pay further interest at the same rate for a further period, if so awarded. Accordingly an order was passed as a broad consensus was reached between the parties to resolve the dispute on an amicable way.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-003-0161-2006-07**  
**Sri V. Vijaya Raghava Rao**  
**Vs**  
**TATA AIG Life Insurance Co.**

### **Award dated 13.11.2006**

Head Notes: Policy taken under Health First Plan of TATA AIG – Claim for critical illness benefit rejected – Insurer submitted evidence to show that the LA was a diabetic before commencement of the policy – Complaint not allowed.

### **FACTS OF THE CASE**

The life assured obtained Policy No.C310618991 under Health First Plan. The policy commenced on 01.09.2003 for a 22 years term. The plan covers five types of benefits including critical illness benefit of Rs.125000. The LA underwent a CABG on 02.05.2006 and claimed critical illness benefit from the insurer. The claim was rejected for reasons of non-disclosure of previous illness. As per the claim papers submitted by the LA, it came to the knowledge of the insurer that the LA was found to be a diabetic in 04/2003 itself. In 04/2003 the LA underwent a surgery and at that time he was

diagnosed to be suffering from DM. He was given insulin to control diabetes and at the time of CABG also he was given insulin.

The LA contended that detection of diabetes in 04/2003 was due to stress caused by sudden loss of blood and claimed that his sugar levels became normal after 04/2003.

The medical record was sent to a specialist doctor at Hyderabad for an expert opinion. The doctor opined that the LA was diabetic prior to 04/2003 and he was using oral hypoglycemia drugs irregularly thereafter. Further, the LA has a family history of diabetes. Hence the expert opinion ruled out possibility of sudden onset of diabetes in 04/2003 due to stress.

As the policy was taken without disclosure of history of diabetes, the decision of the insurer was upheld.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-001-0293-2006-07**  
**Smt.B.Vijaya**  
**Vs.**

**Life Insurance Corporation of India**

**Award dated 30.11.2006**

The complaint was made against the decision of LIC to repudiate accident benefit under Pol. No.683139179. The policy was taken on the life of one Sri Bathula Srinivas from Karimnagar branch of LIC for a sum assured of Rs.50,000. The policy commenced under the Triple cover endowment plan (T-133) on 28.3.2001 and the life assured died on 8.6.2004 due to murder. LIC settled sum assured with additional sum assured but rejected accident benefit of Rs.50,000 claiming that there was provocation from the side of the LA that finally led to the murder. They further contended that their decision is in tune with the judgment delivered by NCDRC (National Consumer Disputes Redressal Commission) in Appeal No.204 of 1999.

As per the facts of the case, the life assured was murdered and the accused persons were also sentenced by the Trial Court. The contention of the complainant is that the murder of his son (LA) is to be treated as an accident, falling within the meaning of the term as described in the policy conditions.

The term accident was not clearly described in the policy conditions and hence it needs to be understood contextually, circumstantially and based on settled cases. The judgment cited by LIC was delivered by the Apex Commission on 26.5.2006, in which they tried to distinguish between a murder which is an accident and which is not. As per the commission the proximity of the cause for murder is to be taken into account and if the dominant intention of the act of crime is to kill a particular person it does not amount to murder. As the act of crime in this case falls within the scope of opinion expressed by the Apex Commission, it was decided to uphold the contention of the insurer. The complaint was therefore dismissed.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-006-0274-2006-07**  
**Sri Harish Petakar**  
**Vs**

**Bajaj Allianz Life Insurance Co.**

**Award Dated : 26.12.2006**

Head Notes: Complaint against the insurer for not canceling the policies under the free look clause. Insurer contended that option was not exercised within the stipulated period. Complaint allowed.

**Facts of the case and decision :** Sri Harish Petkar, a Software engineer with M/s. Oracle India Software Company applied for two policies; one on his life and another on his wife's name. He signed a proposal dated 6.5.2006 for issue of a 'Unit Gain-Super' policy for a sum assured of Rs.20,00,000 with a premium of Rs.2,00,000. This proposal resulted into issue of a pol. No.0021519954 for a sum assured of Rs.70,00,000, with a risk date of 13.6.2006 and with an annual premium of Rs.14,00,000.

He submitted another proposal on his wife's name Smt. Pallavi under a proposal dated 26.5.2006 for issue of a policy under 'Unit Gain-Plus-RP' for a sum assured of Rs.17,75,000. This proposal resulted into policy no.0021507115. Finding the annual premium under his policy to be very heavy @ Rs.14,00,000 per year, the LA applied for cancellation of the policies. The LA contended that he had made oral requests to the executives of the insurer for alteration of the premium mode under both policies to single premium mode from yearly mode. He contended that he returned the policies for cancellation on the basis of advice given by the executives of the insurer and that it was not proper for the insurer to reject his request stating that the free look period was over. During the personal hearing session it came to be known that the spouse of the complainant is not employed, as stated in her proposal. The LA could clearly prove that there was variation between the proposals and policies. The LA argued that his idea from the beginning was to take single premium policies and his annual income is only Rs.13,00,000. The total yearly premiums under the two policies come to Rs.17,50,000 and the LA pleaded that the policies were issued differently from his choice. As a bundle of contradictions were observed in the process of issue of the policies, it was decided to allow the complaint and order the insurer to cancel the policies and refund the premium amount.

**Hyderabad Ombudsman Centre**  
**Case No. : L-21-001-0307-2006-07**  
**Smt. Mohan Kanwar Chauhan**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 24.01.2007**

Head Notes: Life assured obtained a policy under Jeevan Bharati Plan of LIC. Her claim for Female Critical Illness (FCI) Benefit was rejected by LIC stating that the surgery performed was not covered as per policy conditions. After a personal hearing into the case, it was decided to dismiss the complaint without any relief.

**Facts of the case and Decision :** Smt Mohan Kanwar Chauhan W/o Col N.S.Chauhan obtained a policy bearing no.372936016 for Rs.1 lakh sum assured from LIC under ' Jeevan Bharati' plan.The policy commenced on 28.3.2003 and the LA's claim for payment of FCI benefit was rejected by LIC on 29.12.2005.

As per the case history reported, the LA underwent a surgery on 29.6.2005 at Apollo Hospitals, Jubilee Hills, Hyderabad for removal of uterus, broad ligaments and pouch of Douglas. As per the operating surgeon's report, the LA was operated for removal of leiomyoma (locally aggressive tumor). The biopsy report conducted did not indicate any malignancy.

As per condition no.14 of the policy, the FCI benefit is payable on the diagnosis of invasive cancers (malignant tumors) manifest in organs namely breast, cervix, uteri, Corpus Uteri, Ovaries, Fallopian tubes, Vagina/Vulva. Further, a malignant tumor that

originates in one of the anatomical sites specified is covered and cancer that originates in all other sites is excluded for payment of benefit under the policy.

The LA contended that the mass removed from her abdomen was of cancerous nature, while the insurer contended that it was a non-malignant tumor. After a personal hearing session held on 20.12.2006, the medical reports in the case were sent to a Government Oncologist for an expert opinion. The specialist doctor endorsed the contention of the insurer that the tumor operated on was of non-malignant nature. Keeping the medical opinion in view, the complaint was dismissed and the decision of the insurer was upheld.

**Kochi Ombudsman Centre**  
**Case No. : IO/KCH/LI/22-001-179/2006-07**  
**Shri.T.A.Xavier**  
**Vs.**  
**Life Insurance Corporation of India**

**Award Dated : 9.1.2007**

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of alleged unilateral changes effected by the insurer in relation to the term and sum assured of policy No.775453527 held by the complainant. The complainant had proposed for the said insurance on 31.3.2006 (Bima Gold Plan) for a term of 16 years with Rs. 8 lakhs as sum assured. On examination of the ECG and related medical reports of the proposer, the Zonal Underwriting section of the insurer at Chennai had offered the policy on modified terms. The term was to be reduced to 12 years with sum assured of Rs.5.8 lakhs and an extra premium of Rs.15.30 per year per thousand of the sum assured. The insurer had asked for the consent of the proposer for these changes and he had furnished the same. However, the complainant had a grievance against the insurer as he maintained that the changes were got effected to his disadvantage by the agent of the insurer and the other officials. Factually, the position taken by the complainant was found unacceptable as he had himself given the consent for modified terms and he was only back-tracking on the contract at a later date to suit his own convenience. There was nothing wrong in the procedure adopted by the insurer and therefore the complaint was dismissed.

**Kochi Ombudsman Centre**  
**Case No. : IO/KCH/LI/21-001-226/2006-07**  
**Smt.Muniamma**  
**Vs.**  
**Life Insurance Corporation of India**

**Award Dated : 20.03.2007**

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of rejection of a life insurance claim under Pol.No. 391930171 held by the husband of the complainant. The policy had commenced in December 2001. On 6.3.2003. the life assured was attacked by a wild buffalo and was seriously injured. He preferred a disability claim before the insurer. Although the application was belated, pending condonation of delay, the office had forwarded two forms to the life assured. He had returned only one form and the other to be completed by the Doctor was never submitted. The policy subsequently lapsed from September 2003 and the life assured died on 25.8.2004. Since the policy was lapsed, nothing was payable even as a death claim. Even so, the life assured/complainant being illiterate people, the insurer could have deputed one of their field force to help out the poor souls, which they did not do.

As on the date of the accident, the policy was, infact, in force and a small help with the procedural formalities could have helped the life assured/complainant. The complainant came from conditions of abject poverty and taking an overall view of the case, an ex-gratia of Rs.10,000/- was allowed to the complainant by this Forum.

**Kochi Ombudsman Centre**  
**Case No. : IO/KCH/LI/21-012-277/2006-07**  
**Sri.N.S.John**  
**Vs.**  
**Metlife India Insurance Co.Pvt.Ltd.**

**Award Dated : 20.03.2007**

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to an alleged lapse on the part of the respondent insurer in applying the unit rate from the date of realization of the cheque collected from the complainant and consequential loss in financial gains. The proposal was dated 22.8.2006 and the cheque was realized by the insurer on 24.8.2006. The medicals were done on 22.9.2006 and after a counter offer by the company was accepted by the proponent, the policy was issued on 29.9.2006. The complainant alleged that the delay in medicals was due to the laxity of the insurer. The insurer however produced telephone-records – software from their local office at Kochi which showed that the company had contacted the proponent on 25.8.2006 and 6.9.2006, a message is seen about dropping the case and refunding the money. Considering all these material facts, the complainant's version before this Forum blaming the insurer for the delay was not found correct and hence the complaint was dismissed as no risk could commence under an insurance policy before acceptance of the case after due medicals.

**Kochi Ombudsman Centre**  
**Case No. : IO/KCH/LI/21-009-209/2006-07**  
**Smt.D.Ambika**  
**Vs**  
**Bajaj Allianz Life Insurance Co. Ltd.**

**Award Dated : 21.03.2007**

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out a dispute in relation to re-allocation of units on reinstatement under a Unit Linked insurance policy issued by the respondent in favour of the complainant. The policy lapsed on two occasions (although there was sufficient money with the insurer) due to a software glitch in the company and on both the occasions, the policy was reinstated by allocating additional units to cover the losses sustained by the customer. However, during the second lapsation, the entire funds being in "Cash fund" only, even on reinstatement, the units were credited to "Cash fund" by the insurer. But, the complainant argued that during the period of lapsation (for which the insurer alone was responsible) the equity funds had grown appreciably and had she been able to effect a switch over she would have gained substantially. However, it was found that the complainant had never given a request for switch over during the second lapsation and hence no compensation could be given on notional/hypothetical basis. The loss in terms of units was adequately compensated for by the insurer and hence the complaint was dismissed.

**Kochi Ombudsman Centre2**  
**Case No. : IO/KCH/LI/21-001-231/2006-07**  
**Sri.N.A.Ganeshan**

**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 21.03.2007**

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules 1998 arose out of repudiation of a life insurance claim under Pol.No. 774656195 held by the complainant's wife as also denial of Premium Waiver Benefit under another Pol.No.774656339 in the name of the life assured's daughter. The life assured expired on 28.12.2004 at Indira Gandhi Co.Op.Hospital, Kochi due to Cardio Pulmonary Arrest. In the first case, the Pol.no. 774656195 had commenced only 27.3.2004. The hospital records had shown that the life assured was suffering from Seizure disorders from 31.8.2003. Infact, she was reportedly under treatment for 15 months. Various other reports also proved that the life assured had suppressed the condition of her ill health. Therefore the repudiation of the claim by the insurer was found to be in order and upheld by this Forum. In relation to the Premium Waiver Benefit under Pol.No. 774656339, the life assured had not asked for it at all in the proposal. The question concerned was answered in the negative and no additional premium therefor was also charged by the insurer. On both the counts, the complainant had no case and therefore the decision of the insurer was upheld as fully justifiable.

**Kolkata Ombudsman Centre**  
**Case No. : 308/22/001/L/07/2006-07**  
**Shri Sudipto Ghosh**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 21.11.2006**

**Facts & Submissions:**

The complaint was regarding dispute in regard to extra premium charged under the policy by Life Insurance Corporation of India for the last 10 years.

Shri Sudipto Ghosh lodged a complaint on 31.07.2006 stating that LIC was charging him extra premium for the last 10 years against his policy, although he did not suffer from any disease. Since he did not receive any reply from the LIC authority against his query, this complaint was filed.

**In the self-contained note, the LIC stated as under:**

The policy was issued on 24.1.1988 on the life of Shri Sudipto Ghosh against proposal dt.7.7.1997 for insurance of Rs.1 lac. The proposal contained the information that the proposer, Sri S. Ghosh had epilepsy problem in childhood which stopped from May, 1997. This fact had been confirmed by the Agent and the Medical Examiners in their reports. It was further confirmed by another doctor, Dr. S. Dutta in the specific Questionnaire meant for such disclosed disease on the basis of some treatment reports of Dr.Sarengi, Neurologists. After due consideration of the medical history, the assessment of underwriting the risk as per standard underwriting procedure was fixed against extra premium for Rs. 2/- per thousand Sum Assured and the proposal was accepted with an extra premium. The father of the proposer was to pay the extra premium as the proposer was a student with no independent income. He had given his consent to accept the policy on the terms and conditions offered by the LIC vide his letter dt.12.1.1998. The LIC further stated that they expressed their inability to remove the extra premium due to the facts stated above. The Insurer also stated that the Insured's request for waiving the extra premium had not been acceded to in spite of repeated reminders.

**DECISION:**

On going through the various documents, it was found that extra premium was imposed at the time of underwriting itself and the same had been accepted by father of the policyholder vide his letter dt.12.1.1998 addressed to the Sr. Divisional Manager. LIC. Kolkata cannot be removed.

It was held that the Insurer have correctly followed the procedure laid down before issuing the insurance policy. Therefore, the request for waiver of the extra premium could not be acceded to.

**Kolkata Ombudsman Centre**  
**Case No. : 227/22/003/TATA AIG/07/06/07**  
**Shri Vishnu Day**  
**Vs**  
**Tata AIG Life Insurance Company Ltd.**

**Award Dated : 21.11.2006**

**Facts & Submissions:**

The complaint was regarding restoration/resumption of Employer - Employee Scheme with effect from 28<sup>th</sup> March, 2006 cancelled due to mismatch of signature under the said policy.

Shri Vishnu Day, Director, Sunny Trexim Pvt. Ltd. wanted to purchase Employer – Employee Policy for insurance coverage on Shri Sanjay Mittal, but the Insurance Company cancelled the Policy due to signature mismatch. It occurred again in January, 2006.

The Insurance Company clarified that the insurance coverage could not be processed due to mismatch of signature of the person who signed the application form as applicant on behalf of Sunny Trexim Pvt. Ltd. and the signature of the person who signed the Employer – Employee letter. According to them, they require the same individual to sign on all the formal documents to assess the risk as per underwriting guidelines. Since the requirement was not complied with, the case was closed and the initial premium amount, so deposited by the Insured, was refunded back. They also regretted the inconvenience caused and stated that they were not in a position to offer the same plan as the scheme had already ceased to exist. Alternately, they stated that they could offer a fresh policy under Employer – Employee Scheme – B, if the proposer so desired. The proposer to the insurance policy had complained to the Insurance Ombudsman and stated that he had taken the insurance policy in good faith and the return of income had already been filed with the Income Tax Authorities claiming such relief of premium under the IT Act, therefore it could cause some difficulties with I. T. authorities.

As the company was unable to issue the policy due to the technical mismatch of the signature, we were unable to accede to the request of the complainant that the Insurance Company may be directed to issue the policy as of 28<sup>th</sup> March, 2006. The only alternative available to the complainant is to file a revised return under the Income Tax Law. The counter offer of the Insurance Company regarding issuance of another policy and its acceptance by the complainant is in the hands of the proposer and does not come under the purview of the Ombudsman.

**Kolkata Ombudsman Centre**  
**Case No. : 495/23/001/L/10/2006-07**  
**Smt. Chanda Devi**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 28.11.2006**

**Facts & Submissions:**

The complainant, Smt. Chanda Devi purchased a policy no. 542034471. In terms of the plan of this policy, if the policy is in-force, the life assured would get Survival Benefit (SB) @ 20% of Sum Assured (SA) every 5 years from the date of commencement (DOC), but she has the option to reinvest the amount with 11% interest. The complainant stated that she opted for reinvestment and returned the discharge voucher (DV) unsigned against SB due on 28.09.06. However, LIC issued SB cheque dated 29.09.06. She returned the cheque for reinvestment and correction of her husband's name in the policy. Since there was no reply, she filed this complaint before this forum.

In the meantime, she once again wrote a letter dated 13.11.06 stating that the insurance company sent a letter to her in which they regretted that they had committed mistake and requested her to return the SB cheque so that the moneys can be reinvested in a different plan as per her desire. She was unhappy that even though she returned the cheque back on 13.10.06, this letter was sent to her on 07.11.06. She complained about the lethargic treatment of her matter.

In the self-contained note dated 14.11.06, LIC Hazaribag Divisional Office stated that they wrote a letter to the complainant asking her to return the SB cheque so that they could take appropriate steps as per her desire. LIC also stated that they had mentioned her husband's name correctly, in support of which they sent a proof of the policy details, which indicate that her husband's name is Kishan Lal Agarwal.

**Decision:**

There was no confirmation that LIC had already done the changes in the above plan as per complainant's desire. The letter dated 14.11.06 merely stated that they would take appropriate steps as and when they receive the SB cheque, which had already been returned by the complainant. According to the evidence available on record, the cheque was received by LIC on 13.10.06 under acknowledgement. LIC was directed to confirm the reinvestment and correct the claim history. This was to ensure that the future payments are not affected.

Since LIC stated that the name of the husband of the complainant was correctly recorded in the document, they were requested to confirm the same to the complainant as well.

**Kolkata Ombudsman Centre**  
**Case No. : 856/24/001/L/03/05-06**  
**Shri Sudipta Kumar Pal**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 20.12.2006**

**Facts & Submissions:**

The complaint was regarding delay in settlement of claim under Jeevan Asha - II Policy by Life Insurance Corporation of India.

The complainant, Shri Sudipta Kumar Pal purchased a Jeevan Asha - II Policy. In terms of this policy, besides life coverage, this particular plan provides for SB and payment towards certain Surgical Procedures. The LA suffered from AV – malformation in brain and was under treatment at Woodland Medical Centre, B.M. Birla Heart Research Centre and finally GAMMA KNIFE SURGERY at AIIMS, New Delhi. The last disease falls under 'Major Surgical' under the benefit 'B' of Jeevan Asha Policy-II. The LA

applied for reimbursement for Surgical Procedures and submitted all the treatment papers. According to the complainant, LICI repudiated the claim for payment of Surgical Procedures by invoking the 'Lien Clause' on 8.5.2006. Being aggrieved, the LA lodged a complaint before this forum for relief of Rs.2.5 lacs.

LICI furnished a SCN enclosing copies of repudiation letter along with Departmental note and treatment particulars received from the complainant. According to them, the LA was admitted to Woodland Medical Research Centre on 29.10.2004 with complaints of slurred speech, L. E., Hemiplegia and left facial palsy. GAMMA KNIFE SURGERY at AIIMS was done on 12.5.2005. According to them the date of acceptance of the policy was on 2.11.2003. Therefore, onset of the disease falls within 1 year from the date of commencement of risk i.e. within the lien period. Therefore, they repudiated the claim on that ground in respect of reimbursement of expenses for surgical procedures.

On going through the various documents, it was found that the premium was deposited on 15.10.2003 and the proposal was submitted on 23.10.2003. The Insurance Company called for a special report, which was given on 25.10.2003. The date of commencement was 28.10.2003 and the examination of documents by DMR was on 31.10.2003 and the date of underwriting the risk was 2.11.2003. The Insurance Company furnished a Xerox copy of Administrative Circular dt.23.1.1999 in which it states "A lien in respect of the benefits mentioned in Para 2B will be operative commencing from the date of risk and ending one year from the date of policy".

According to them, the Lien Clause also provides that " The Lien period may extend beyond the first policy anniversary due to dating back of the policy or due to the time lag between DOC and the date of policy.

In this case, the DOC was 28.10.2003 and the onset of the disease was 29.10.2004 i. e. more than a year after the DOC. Further, according to the self-contained note, the medical reports were examined by the DMR of the Insurance Company on 31.10.2003 and the date of underwriting was 2.11.2003. As per the prevailing practice at that time, the adjustment of proposal deposit of a particular month was allowed up to the third day of the following month. Technically, it was not a case of back dating but time lag was there between the DOC and the date of Policy. The policyholder could not be held responsible for the delay since the Life Assured made the payment and submitted the proposal form before DOC.

From the above discussion, it was clear that the patient was admitted one year after the date of commencement of the policy. The premium for proposal deposit and proposal form was submitted before DOC.

Therefore, the Lien Period was over before he was admitted to the hospital. Added to that the actual GAMMA KNIFE SURGERY took place at AIIMS on 12.5.2005. Strictly speaking, the Surgical Procedures took place far beyond the lien period.

It was held that the repudiation made by the Insurance Company was not proper and they were directed to settle the claim at Rs. 2,50,000/-, being the 50% of the Sum Assured, as per the policy conditions.

**Kolkata Ombudsman Centre**  
**Case No. : 325/22/001/L/08/2006-07**  
**Shri Abdul Kayyum Ansari**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 20.12.2006**

**Facts & Submissions:**

The complaint was regarding dispute against non-issuance of policy documents against 'BIMA GOLD PLAN (T 174)' after the premium was duly been received by Life Insurance Corporation of India.

The complainant, Shri Abdul Kayyum Ansari filed a complaint against the Insurer that he did not receive the ' BIMA GOLD PLAN (T 174) ' after he deposited the full amount of Rs.10,345.00 and the same was accepted by LIC, CAB Siliguri under Jalpaiguri Divisional Office, Jalpaiguri. On representation, the complainant received a letter dt.8.6.2006 from the Insurance Company regretting that there was a lapse on the part of the concerned Branch Office and therefore, they took up the matter with the concerned Branch office for their observations on the Plan.

The Office of Insurance Ombudsman received a FAX message on 5.9.2006 from Jalpaiguri D. O., wherein they admitted receipt of the proposal and underwriting decision of acceptance of 'Bima Gold Policy'. However, the Bima Gold Policy was a close-ended policy sold from 1.9.2005 to 31.3.2006. They could not issue the Policy Bond due to heavy year-end rush upto 31.5.2006. However, in this case they refunded the proposal deposit cheque through agent of the proposer on 4.5.2006 and the same was encashed on 13.5.2006.

Due to the acceptance of full refund proposal deposit/proceeds the complainant lost the valid ground of the grievance, although there were clear lapses on the part of LIC Branch office in providing services to its customer.

Therefore, the complaint was dismissed.

**Kolkata Ombudsman Centre**  
**Case No. : 418/21/001/L/09/2006-07**  
**Shri Subrata Sen**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 20.12.2006**

**Facts & Submissions :**

Shri Subrata Sen, an officer in UBI, purchased a Life Policy under a plan called "Asha Deep II" of Life Insurance which offers, besides maturity/death benefits, payment under Benefit-B, on occurrence of one of certain specified diseases, during the term of an in-force policy as follows:

- i) Immediate payment of 50% of S.A on admission of Benefit-B
- ii) Yearly payment of 10% of S.A commencing from the policy anniversary falling on or after the date of establishment of affliction.
- iii) Waiver of further premium of the policy due after the policy anniversary from date of affliction.
- iv) Balance 50% S.A with bonus on full S.A payable on death or maturity whichever is earlier.

The complainant in his petition stated that

- i) He had to undergo on Doctor's advice Coronary Artery Bypass Graft on 18.11.2005 at Apollo Gleneagles Hospital, Kolkata.
- ii) He submitted his claim papers for Benefit-B under the policy on 01.01.2006.
- iii) L.I.C.I made a partial repudiation denying the Benefit-B but offered continued life coverage under Endowment type of insurance provided the LA continued to pay the premium.

- iv) The representation made by the LA was not considered and the Zonal Authority upheld the decision of repudiation.
- v) The complainant in his representation against repudiation before the insurance authorities had given the following explanations in respect of various reasons quoted by the insurance authorities for repudiation.
  - a) He had taken several LIC policies with total sum assured of more than Rs.9 lakhs.
  - b) It is inconceivable that he would suppress material facts about his personal health for obtaining insurance claims more than 9 years after commencement of the policy.
  - c) The insurance authorities relied on the prescription of Dr.N.Nath dated 16.10.2005 mentioning that the claimant had hypertension. However, they ignored the certificate given by Dr. A.Sen dated 09.10.2006 that till June 2004 the ECG and BP of the complainant were normal.
  - d) He also submitted Discharge Summary of AMRI Hospital, Kolkata dated 18.08.2005 where he was admitted for removal of Benign Cyst from Left Chest Wall before undergoing CABG which shows normal BP OF 130/80.
  - e) He also enclosed a certificate dated 19.02.2005 showing Blood Donation by himself and argued that a person of High Blood Pressure cannot donate blood. So, the conclusion that he misrepresented for the present claim and given false information was not correct.

In the self contained note, LIC, CBO-19 stated that the policy was accepted at ordinary rate as the LA did not have any adverse family history. The LA gave 'NIL' statement against previous illness in the personal history column of the proposal form. He paid the premium regularly. The claim before us was forwarded to the higher insurance authority even though it was non-early claim and in turn their DMR opined that hypertension existed before the policy was incepted and therefore Benefit – B was denied.

It is a known fact that the Benefit – B is not payable only during the lien period i.e., upto 1 year from the date of commencement. The complainant can also claim protection under Section 45 of the Insurance Act, as the medical reports appeared more than 9 years after commencement of the risk.

Since 9 years have already elapsed from the commencement of the policy, the insurance company can not call in the question of admissibility of the Benefit – B merely on the ground of suppression of material facts unless malafide intention on the part of the life assured is proved. The lien period is also over long back. Under these circumstances, the decision of the insurance company repudiating the Benefit – B to the complainant was not justified.

LICI was directed to settle the same as required under Benefit – B of the policy.

**Kolkata Ombudsman Centre**  
**Case No. : 267/24/001/L/07/2006-07**  
**Shri Phalguni Bandyopadhyay**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 28.12.2006**

**Facts & Submissions:**

The complainant, Shri Phalguni Bandyopadhyay, purchased a LIC policy for Rs. 1 lac with date of commencement (DOC) 28.03.1996. He received maturity claim intimation for Rs. 2 lacs from the insurance company. He signed the discharge voucher (DV) and

submitted it with along with the original policy bond for payment. According to him, the insurance company sent back the policy bond without making any payment. He represented to the higher offices of the LIC, but did not get any satisfactory reply. Hence, he approached this forum for redressal.

The insurance company sent a self-contained note dated 16.11.06 clarifying that maturity claim was not payable under this particular Plan of LIC and the DV was generated by mistake and it was wrongly sent.

**Decision:**

On going through the First Premium Receipt (FPR), publicity leaflet about Jeevan Aadhar Plan, copy of Policy and administrative Circular, it was found that Jeevan Aadhar plan was especially designed to cover life risk of the proposer while making a provision for maintenance of his handicapped dependent. The claim benefit (partly in lump sum and partly in the form of annuity to the handicapped dependents) is available in the event of death of the life assured. In the case of demise of the handicapped dependent prior to life assured, the later has the option of keeping the policy for a reduced paid up sum or receive refund of premium by surrendering the policy. The documents further clearly stated that Jeevan Aadhar is a whole life policy, which indicate that claim is payable only on death and not on maturity.

It looks as though the insurance company realized their mistake only after the DV was despatched and received back by them after it was signed by the life assured. Since the policy conditions do not allow payment of any maturity claim, the complaint made is ab-initio not tenable. The insurance company simply cannot pay any amount on maturity. Under these circumstances, the decision of the insurance company was upheld.

**Kolkata Ombudsman Centre**  
**Case No. : 306/24/001/L/07/06-07**  
**Shri Rajeev Kumar Mishra**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 12.02.07**

**Facts & Submissions :**

This was a petition filed by the complainant for non-settlement of his Extended Permanent Disability Benefit (EPDB) with regard to his policy by LIC.

The complainant Shri Rajeev Kumar Mishra suffered accidental injury, which paralyzed both of his legs on 05.05.04. This was a paralysis of spine D 8-9 from chest downwards and loss of control of bowels and bladder as certified by the ISIC doctor and 90% disability as certified by the Civil Surgeon, Baishali. The life assured (LA), therefore, applied for EPDB to the insurer. As no decision was taken by LIC till now, this petition was filed requesting for early settlement of the claim.

The insurance company sent a self-contained note and stated that Shri Rajeev Kumar Mishra, LA had taken a policy with DOC 28.08.2002 for sum assured of Rs. 40,000/-. He met with an accident on 05.05.04. The said policy was in force on the date of accident. The life assured submitted claim forms, disability certificate, Xerox copy of FIR and treatment particulars. The claim was pending for want of Police Final Report. According to them, they had requested the life assured by a letter dated 30.11.06 to submit the Police Final Report and were awaiting for such a report.

**HEARING:**

A hearing was held on 08.02.07. The insurance authorities attended while the complainant did not attend. During the hearing, the representative of the LIC submitted documents collected from the complainant. It appeared from the discharge

summary issued by Indian Spinal Injuries Centre dated 29.11.04 that the disability occurred due to a fall of heavy object on the back of the complainant. Besides, there is a statement of the complainant wherein he had narrated the incidence that had taken place. The said statement had been duly recorded by Shri P.Kant, OC of Sector-II, PS Bokaro on 06.05.04.

**Decision :**

From the available documents, it was found that all the documents were filed before the LICI authorities excepting the Police Final Report. However, from the documents received at the time of hearing, we found that the injury had taken place due to a fall of heavy object and this had caused disability to the complainant. Since the statement given by the complainant was recorded by the Office in-charge of Police Station, it was clear that the insurance company could dispose of the claim without waiting for a Police Final Report. LICI was directed to settle the claim.

**Kolkata Ombudsman Centre**  
**Case No. : 245/22/001/L/07/2006-07**  
**Shri Munna Babu Ansari**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 20.02.07**

**Facts & Submissions :**

The complainant stated that he wanted to have his policy transferred to Motihari Branch from Bihar Shariff Branch. This policy was issued with date of commencement from 28.11.2001 and on repeated representations, the Insurance Company did not heed to his request to transfer the policy, as desired. Being aggrieved with the activities of the Insurance Company, he filed this petition for redressal of his grievance.

The Insurance Company did not furnish any self-contained note. Therefore, a hearing was fixed on 15.2.2007 to obtain the views of the complainant as well as the Insurance Company. The complainant did not attend. However, the representative of the Insurance Company stated at the time of hearing that they already issued a letter addressed to the Insurance Ombudsman on 10.2.2007 in which they clearly mentioned that the policy master was transferred to Motihari Branch.

**Decision :**

In practice, this type of complaint did not come under the jurisdiction of the Insurance Ombudsman, as per R. P. G. Rules – 1998. Since this office admitted the complaint and it was properly resolved and redressed by the Insurance Company in favour of the complainant, the complaint was disposed of accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 006/24/001/L/04/2006-07**  
**Shri Nagendra Prasad Sinha**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 20.02.07**

**Facts & Submissions :**

The complainant stated that he took a life policy with date of commencement from 28.3.1993 and the date of maturity for the same was 28.3.2005. According to him, he was persuaded to take the said policy by an Agent and he paid the policy premium upto September 1995. After that, though he paid the instalment premium to the authorised agent of the Insurance Company, which was due for December 1995, but the

concerned agent did not pay the premium to LIC. He took up the matter with the Servicing Branch Office of LIC, but the problem was not solved and as a result the policy became lapsed although he claimed having paid 11 quarterly premiums totalling to Rs.14, 287.60. Therefore, the complainant filed this petition seeking relief of maturity claim along with interest.

As the insurance company did not furnish any self-contained note, therefore, a hearing was held on 15.2.2007 where the complainant did not attend. However, the representative of the Insurance Company stated at the time of hearing that they already issued a letter addressed to Insurance Ombudsman, Kolkata on 10.2.2007 in which they stated that the policy in question did not acquire any paid up value and the policy was lapsed. Therefore, as per policy conditions, nothing was payable to the life assured. The enclosed status report of the policy showed that the due date of first unpaid premium was 28.9.1995 i.e. 10 quarterly premiums totalling to Rs.12,666/- was paid by the complainant.

From the above details, it could be seen that the policy was taken on 28.3.1993 and the complainant was in the knowledge that the same was lapsed after payment of 10 quarterly premiums. This office did not understand why he did not sought relief after the Insurance Company kept quite on the request for revival of the policy. It seemed that there was a long delay on the part of the complainant.

However, the letter of the Insurance Company indicated that the policy did not acquire any paid-up value and according to them, nothing was payable. Since the complainant did not attend, this office disposed of the complaint as an ex-parte on merits. As per policy conditions, the complainant did not get any relief with regard to paid-up value, as the policy did not acquire the same.

**Decision :**

Under the circumstances, this office constrained to agree with the decision of the Insurance Company and the complainant did not get any relief.

**Kolkata Ombudsman Centre**  
**Case No. : 433/23/009/L/09/2006-2007**  
**Smt. Mitalee Nandi**  
**Vs**  
**Bajaj Allianz Life Insurance Co.Ltd.**

**Award Dated : 06.03.07**

**Facts & Submissions :**

The complaint was regarding financial loss due to delay in issuance of policy and fluctuation of NAV against Unit Gain Premier SP Policy issued by Bajaj Allianz Life Insurance Co. Ltd.

The complainant, Smt. Mitalee Nandi stated that she paid a cheque of Rs.50,000/- to purchase Unit Gain Premier SP Policy from Bajaj Allianz Life Insurance Co. Ltd. on 31.12.2005 and the cheque was encashed by the Insurer on 5.1.2006. The Insurer issued the policy documents on 20.02.2006. However, the number units were allotted to her on the basis of NAV as on 10.02.2006. Therefore, she noticed that lesser number of units was allotted causing financial loss to the L/A. Therefore; she filed this petition for relief.

A hearing was fixed on 6.3.2007 where both the parties attended. The Insurance Company submitted a self-contained note only on 9.1.2007 wherein they mentioned

that they did not correctly allot the units which should have been at NAV of Rs.10,476/- for Premier Equity Gain and at NAV of Rs.10,362/- for Premier Equity Fund respectively. They also stated they considered the unit prices as on 4.1.2006 on the basis of premium received on 31.12.2005. Therefore, they stated that they already paid a compensation of Rs.3,200/- by cheque to the complainant.

The husband of the complainant attended and stated that he received the said cheque and was thankful to the Insurance Company for the expeditious disposal of the same.

**Decision :**

As the grievances were satisfactorily redressed, no further interference was called for and the petition was closed accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 411/24/001/L/09/2006-07**  
**Shri Nand Kishore Singh**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 07.03.07**

**Facts & Submissions :**

This petition was filed by the complainant against non-receipt of monthly annuity under Varistha Pension Bima Yojana Policy issued by Life Insurance Corpn. of India.

The complainant, Shri Nand Kishore Singh purchased Varistha Pension Bima Yojana Policy which was used to give him monthly annuity payment of Rs.2,000/- through ECS facility to his bank by LIC. The policy was taken on 28.8.2003 and the annuity payment was started from the next month. Accordingly, the EZO of LIC who maintained the Annuity Master should have paid the annuity cheque to the bank as usual, but it was found on scrutiny that he did not receive one annuity cheque due for payment in June 2006. His efforts with the LIC to get back the annuity cheque had gone in vain. Hence, this petition was filed for relief.

The Insurance Company stated that they sent the annuity cheque to S.B.I., Kolkata Main Branch for onward transfer to the L/A's account through ECS. According to them, mistake was lying with the S. B. I. authorities.

**Decision :**

Since the complainant did not receive any annuity cheque due for payment in June, 2006, the Insurance Company was directed to pay the annuity cheque for the month of June, 2006, if the same had not been received by the complainant, as per the policy conditions. However, they could continue their efforts to get back the money already transferred to S.B.I., Kolkata Main Branch. The complaint was disposed of accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 353/24/001/L/08/2006-07**  
**Smt. Suprita Kar**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 07.03.07**

**Facts & Submissions :**

This petition was filed by the complainant for non-settlement of EPDB against the policies issued by Life Insurance Corpn. of India.

The nominee, Smt. Suprita Kar, wife of the L/A made this petition as her husband suffered complete loss of vision on 11.01.2005 i. e. during the cover period of the policy. They sent all the required documents for making the claim viable under the aforesaid policies.

The Insurance Company stated that disability occurred due to a disease and not from any external means or accident. Therefore, they could not pay the disability benefit. According to them, disability benefit was payable only when the disability occurred due to an accident and was total and permanent in nature. Therefore, they stated that the claim could not be paid. They further revealed that Pol. No.423111972 was in lapsed condition with F.U.P. 9/2004 at the time of alleged assault on 17.11.2004 and complete loss of vision on 11.1.2005, so it did not qualify for consideration of EPDB. However, Pol. No. 424333046 with F.U.P. 5/2005 was in-force.

**Decision :**

The complainant was requested to submit all the documents required by the LIC for processing the claim. Simultaneously, the LIC authorities were requested to process the claim on receipt of the documents and convey their decision with regard to allowability of the claim.

**Kolkata Ombudsman Centre**  
**Case No. : 402/24/001/L/08/2006-2007**  
**Smt. Dipa Roy**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 07.0307****Facts & Submissions :**

The complaint was regarding delay in settlement of SB claim under the said policy by Life Insurance Corporation of India.

In this petition, the complainant, Smt. Dipa Roy stated that she purchased a policy from LIC, Sodepur Branch under KSDO and according to the terms of this plan, 20% of the Sum Assured under the policy was payable in every 5 years from the date of commencement of the policy. The L/A had the option to reinvest the SB amount at the rate of 11% interest compounded annually. The re-invested amount could be encashed at one's choice, as and when required. Accordingly, she reinvested the first SB amount due on 28.2.2002. However, in July'05, she wished to encash the reinvested amount, but no action was taken on the part of LIC in this respect.

A hearing was fixed on 6.3.2007 where both the parties attended, as scheduled, and their views were taken into consideration at the time of hearing. The representative of the Insurance Company stated that they have initiated necessary action for making payment after the usual formalities were observed. They also promised that the complainant would receive the cheque before 31<sup>st</sup> March 2007. The complainant was informed of the situation and she was satisfied with the decision.

**Decision :**

As the grievance was properly redressed in favour of the complainant, no further action was called for. The petition was disposed of accordingly.

**Kolkata Ombudsman Centre**

**Case No. : 323/24/001/L/08/2006-2007**  
**Smt. Shila Gupta**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 07.03.07**

**Facts & Submissions :**

The complaint was regarding delay in settlement of SB claim under the said policy by Life Insurance Corporation of India.

In this petition, the complainant, Smt. Shila Gupta stated that she purchased a policy on 15.06.1996 under T & T 75-20, S. A. Rs.1,50,000/- from LIC, Baranagar Branch under KSDO. Since the policy was taken on 15.6.1996, the first S. B. was due on 15.6.2001. According to her, she received a Discharge Voucher for S. B. due for payment on 15.6.2001 only on 16.5.2006 i. e. after 5 years from the date of actual due date. She made efforts with the LIC in getting the S.B. in time, but failed to get any response from them. Hence, this petition was filed for relief.

A hearing was fixed on 6.3.2007 where both the parties attended, as scheduled. The LIC authority gave a self-contained note dt.5.3.2007 at the time of hearing in which they stated that they already prepared the cheque for penal interest and despatched the same after deduction of TDS at source. The party was informed about the status of the issued cheques less TDS amount at source. The complainant agreed to receive the same after deduction of tax etc and she was satisfied with the decision.

**Decision :**

As the grievance was properly redressed in favour of the complainant, no further action was called for. The same was closed accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 322/24/001/L/08/2006-2007**  
**Smt. Durga Gupta**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 07.03.07**

**Facts & Submissions :**

The complaint was regarding delay in settlement of SB claim under the said policy by Life Insurance Corporation of India.

In this petition, the complainant, Smt. Durga Gupta stated that she purchased a policy on 15.06.1996 under T & T 75-20, S. A. Rs.1,50,000/- from LIC, Baranagar Branch under KSDO. Since the policy was taken on 15.6.1996, the first S. B. was due on 15.6.2001. According to her, she received a Discharge Voucher for S. B. due for payment on 15.6.2001 only on 16.5.2006 i. e. after 5 years from the date of actual due date. She made efforts with the LIC in getting the S.B. in time, but failed to get any response from them. Hence, this petition was filed for relief.

A hearing was fixed on 6.3.2007 where both the parties attended, as scheduled. The LIC authority gave a self-contained note dt.5.3.2007 at the time of hearing in which they stated that they already prepared the cheque for penal interest and despatched the same after deduction of TDS at source. The party was informed about the status of the issued cheques less TDS amount at source. The complainant agreed to receive the same after deduction of tax etc and she was satisfied with the decision.

**Decision :**

As the grievance was properly redressed in favour of the complainant, no further action was called for. The same was closed accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 128/22/005/L/05/06-07**

**Shri Pranab Ghoshal**

**Vs**

**HDFC Standard Life Insurance Company Ltd.**

**Award Dated : 08.03.07**

**Facts & Submissions:**

Shri Pranab Ghoshal, the complainant, in his petition, stated that he had taken a Personal Pension Plan Regular Premium of HDFC and paid premium on 07.01.04 for the first year and on 15.01.05 for the second year. Suddenly after 1½ years, HDFC wrote a letter to him on 23.08.05 stating that the first premium was not credited to HDFC account. However, from his pass book, it was found that an amount of Rs. 10,000/- was debited on 13.01.04. In spite of many efforts, HDFC did not regularize the payment and reinstate the pension policy. He had, therefore, come to this forum for relief.

**HEARING :**

A notice of hearing was issued to both the parties. Before the date of hearing, HDFC sent a letter dated 17.02.07, wherein they profusely apologized for the mistakes committed by them and stated that after the premium due for January'06 was paid, the policy was restored on 27.07.06 and the policy is now in force.

On the date of hearing both the parties attended. Shri Pranab Ghoshal was a senior lecturer and stated that he was preparing himself for retired life by contributing Rs. 10,000/- p.a. under the pension scheme floated by HDFC. HDFC officials, in spite of several personal visits and reminders by letters did not care to restore his policy and, therefore, he had to come to this office for relief. He stated that because of the intervention of Ombudsman, the HDFC authorities restored the policy now. Though he was happy for the restoration of the policy, he had been treated very unkindly and there was no response from the officials of the company.

The representative of HDFC orally apologized and stated that they have restored the policy. However, he was asked to give an explanation why there was so much delay in adjusting the money that was received from the policyholder. He was asked to give a detailed explanation before 09.03.07.

This office received a letter on 07.03.07 giving a long explanatory note why there has been a delay. Though the cheque was received on 09.01.04, they intimated the policy holder only on 23.08.05 asking for evidence for honouring the above cheque. They have not given explanation for 1 ½ years delay in starting the procedure for reactivating the policy. They gave a chronological explanation with regard to procedure taken after 23.08.05. The explanation after 23.08.05 was acceptable. However, I have to record my displeasure for not taking up any action for 1½ years from 09.01.04 to 23.08.05.

**Decision :**

This being a first instance of absolute lack of customer care, I am not granting any damages to the policyholder. However, the insurance company were directed to read their own following lines as under:

“We now feel quite contented to find the said policy plan is valid and in force now and we are looking forward to deliver better than the best service to our esteemed policyholder in the days to come.”

We fondly hope that this promise is kept in respect of this policyholder.

As the grievance had been satisfactorily attended to, no further action need be taken.

**Kolkata Ombudsman Centre**  
**Case No. : 437/24/001/L/09/2006-07**  
**Sri Bijay Shankar Prasad**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 09.03.07**

**Facts & Submissions :**

This petition was filed by the complainant against delay in sanction of Extended Permanent Disability Benefit under the policy issued by the LIC.

The complainant, Sri, Bijay Shankar Prasad purchased an Insurance Policy No.531106240 for S. A. of Rs.50,000/- with date of commencement being 28.3.1994. He suffered from train accident on 4.12.1999 and both his legs were amputated. He also furnished the disability certificate issued by Civil Surgeon, Patna, even then the claim for EPDB remained pending for a long time.

The Insurance Company sent a letter dt.27.2.2007 stating that they admitted the claim w.e.f. 28.3.2000 and a sum of Rs.416.67 would be paid to the complainant every month commencing from April, 2000 for 120 months and thereafter full Sum Assured along with accrued bonus on the full Sum Assured would be paid on the date of maturity or earlier death. They also stated that premium payable under the policy w.e.f. 28.3.2000 was waived and if some premium installments paid they would be refunded.

**Decision :**

It was a surprise to note how the LIC authorities had taken 8 years to settle the claim against the Disability Benefit under the policy from the date of accident. The services towards the policyholders to say the least were dismal.

Keeping in view of the fact that the claim had already been admitted by the LIC vide letter dt.11.11.2006, the Insurance Company was directed to pay interest on the lump sum payment (i.e. aggregate of all the monthly instalments which were payable) at a rate which was 2% above the bank rate prevalent in the market for the period of delay i. e. starting from April, 2000, the day when the first instalment would have commenced. Besides that, this office proposed to grant an ex-gratia payment of Rs.5,000/- for lack of services and harassment/difficulties faced by the policyholder.

**Kolkata Ombudsman Centre**  
**Case No. : 363/22/001/L/08/2006-07**  
**Shri Jadu Nandan Prasad**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 09.03.07**

**Facts & Submissions :**

This petition was filed by the complainant against delay in payment of annuity cheque under Varistha Pension Bima Yojana Policy issued by Life Insurance Corpn. of India.

The complainant, Shri Jadu Nandan Prasad stated that he paid a single premium cheque of Rs.2,55,845/- on 22.9.2003 under Varistha Pension Bima Yojana Policy which was encashed on 26.9.2003. According to the policy condition, the annuity pension should have started on 1.10.2004, but the LIC paid the annuity only from 1.12.2004. Therefore, there was a delay in 2 months in getting the annuity cheque.

A hearing was held on 8.3.2007 where only the representative of the Insurance Company attended. The complainant did not attend. However, the LIC authorities sent a letter dt.6.3.2007 wherein they mentioned that the competent authority took up the matter and reviewed the complaint made by the policyholder and ultimately, it was decided to hand over the cheque of Rs.3,134/- being the difference in pension from the date of encashment of the cheque i.e.1.10.2004 at the time of hearing. Accordingly, the representative of the Insurance Company who attended the hearing stated that he would hand over the cheque, if the complainant had attended. In the said letter, they also stated that they would re-examine and make necessary amendment in the Policy-master and Annuity-master and regularise the transactions with retrospective effect from 1.10.2004. He also stated that this amount was equal to two months' interest on the premium amount from 1.10.2004 to 30.11.2004. According to him, this would be more than equal to two months of annuity receivable by the complainant. He also stated that they would pay further interest on this amount of Rs.3,134/- for two months period. In his petition, the complainant stated that he was getting Rs.24,000/- P.A. ( i.e. Rs.2,000/- from 1.12.2004 i.e. he was losing Rs.4,000/- for two months). Therefore, he requested that the cheque payment in question should be regularised.

**Decision :**

This office was not satisfied with the decision taken by the LIC authorities by issuing a cheque for Rs.3, 134/-. Actually, the annuity holder should get Rs.4, 000/- from 1.10.2004 to 30.11.2004. Therefore, the LIC authorities were directed to pay the annuity cheque of Rs.2,000/- from 1.10.2004 and also pay the appropriate interest on that amount of Rs.4,000/-. The complainant also stated in his petition that the mistakes were committed by the LIC authorities in quoting the policy numbers etc., the same had to be amended after verification.

**Kolkata Ombudsman Centre**  
**Case No. : 415/21/001/L/09/2006-07**  
**Sheikh Mainuddin**  
**Vs**  
**Life Insurance Corpn. of India**

**Award Dated : 09.03.07**

**Facts & Submissions :**

This petition was filed by the complainant, Sheikh Mainuddin against repudiation of EPDB claim under the policies issued by Life Insurance Corpn. of India.

The complainant, Sheikh Mainuddin purchased two policies having S. A. Rs.2 lacs against policy no. 532373109 with FUP 03/2004 and Rs.1 lac against policy no.533725402 with FUP 02/2004. The complainant stated that while he was working in Qatar, he met with an accident and became disabled. After filing all the details, EPDB was not granted till date. Hence, he filed this petition for relief.

The Insurance Company stated in their letter dt.12.5.2006 that they requested the L/A to submit disability certificate. Although, they did not send a self-contained note, but they sent a fax message on 6.3.2007 stating that EPDB could not be granted since both the policies were in lapsed condition.

**Decision :**

It was found that both the policies were in lapsed conditions without acquiring any paid up value after one month from the date of FUP since 28.4.2004 in the case of first policy and in the case of second policy, the policy was only one year old and in the lapsed condition from 28.3.2003. Therefore, the LICI authorities were correct in their decision in not granting any relief under EPDB against the policies. The complaint was dismissed without any relief.

**Kolkata Ombudsman Centre**  
**Case No. : 628/22/009/L/12/06-07**  
**Shri Baidyanath De**  
**Vs**

**ICICI Prudential Life Insurance Company Ltd**

**Award Dated : 21.03.2007**

**Facts & Submissions:**

This petition was filed by the complainant Shri Baidyanath De with regard to printing of wrong personal data and change in policy condition made by the insurer. The petition is admitted under Rule 12(1)(e) of the RPG Rules 1998.

The petitioner wanted to purchase Life Time Pension Policy investing Rs. 20,000/- at one time. He found that the insurer issued policy documents showing:

- (i) Wrong data in respect of date of birth (DOB) of life assured and his wife;
- (ii) Inflated figure in respect of his annual income;
- (iii) 10 year Premium Paying Term shown instead of Single Premium;

Though he followed up with the insurer, there was no response from the insurance company. Therefore, he filed this petition for relief.

In the self-contained note, the insurance company stated that they had already corrected the DOB and sent a new policy certificate. They have also stated that as a special case, they are willing to refund the premium, if so insisted by the life assured and cancel the policy. They requested the Insurance Ombudsman to give appropriate direction.

Accordingly, a letter was sent to the complainant on 09.03.07 specifying the offer of insurer. He furnished a letter dated 12.03.07 stating that he would prefer to get back the amount paid by him.

Decision:

Under these circumstances, we directed the insurance company to refund the premium amount and intimate this office accordingly.

**Kolkata Ombudsman Centre**  
**Case No. : 672/21/001/L/01/06-07**  
**Shri Anil Kumar Dutta**  
**Vs**

**Life Insurance Corporation of India**

**Award Dated : 21.03.07**

**Facts & Submissions:**

This petition was filed by the complainant Shri Anil Kumar Dutta for less annuity payment by LIC.

The complainant Shri Anil Kumar Dutta purchased a policy with DOC 28.12.1999. The policy vested on 28.12.2005 and the annuity payment was payable w.e.f. 01.01.06. According to him, the policy bond issued to him showed annuity of Rs. 853/- whereas he was receiving annuity of Rs. 754/- p.m. i.e., Rs. 99/- less than the figure mentioned in the policy bond.

In the self-contained note, the insurance company stated that the policy bond was issued showing annuity payable under Option "D". However, the life assured opted for option "F" and therefore, there was some change in the annuity amount.

Jeevan Suraksha was an annuity plan with or without life cover. On vesting, the life assured receives annuity during the lifetime of the life assured or during the lifetime of the joint life assured or last survivor. The policy bond showed annuity under option "D", which was guaranteed for 15 years and thereafter for life.

**Decision :**

In this case, we found that the policyholder had exercised option "F". However, at the time of issue of the policy bond the annuity mentioned was under option "D". Therefore, there was some change in the monthly annuity. Since LIC have followed their own policy conditions, we did not think there was any merit in the petition filed by the complainant. Accordingly, the petition was dismissed without any relief to the complainant.

**Kolkata Ombudsman Centre**  
**Case No. : 234/22/001/L/07/06-07**  
**Shri Manas Adhikary**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 21.03.07**

**Facts & Submissions :**

This petition was filed by the complainant Shri Manas Adhikary seeking compensation for delayed allotment of units on a Future Plus Policy issued by LIC.

According to the petition the complainant deposited Rs. 30,000/- by cheque on 24.03.05 for purchasing a Future Plus Policy and the cheque was encashed on 24.03.05. As per the policy, he should have been issued 3000 units. However, LIC issued units worth Rs. 10,000/- without any explanation or without his consent. The petitioner did not receive any reply to his queries for the balance amount of Rs. 20,000/-. According to him, he suffered a monetary loss in the form of interest against balance amount and as well as due to fluctuations in the NAV. He has, therefore, filed this petition seeking necessary relief.

LIC furnished a self-contained note, in which they stated that they issued a Future Plus policy to the proposer having policy no. 424880175 with DOC 30.03.05, Single Premium of Rs. 10,000/- and No. of Units allotted were 903.348 (Growth Type). Another policy no. 425086362 was issued with DOC 30.06.05, Single Premium of Rs. 20,000/- and No. of Units allotted were 1525.223 (Growth Type). However, they did not submit any explanation for splitting the deposit nor the proposal papers were submitted.

**HEARING :**

A hearing was fixed. The complainant did not attend while the representatives of the insurance company attended. The representatives of the insurance company furnished the above information. They were asked to calculate the difference in NAV and inform this within fifteen days. Accordingly, this office received a fax message on 08.03.07

from LICl. They have calculated the difference of units payable to the Petitioner at 357.495 and the amount payable basing on NAV of 08.03.07 at Rs. 14.41 comes to Rs. 5151.50. The calculation is reproduced as under:

"Taking adjustment of Rs. 30,000/- as on 31.03.2005

Total units would be allotted =  $970 \times 3 = 2910$  units

Cost Calculation:

Flat fee 23 (months) x 15.00 Rs. 345.00

Administration fees @ Rs. 30.00 per anniversary :Rs. 30.00 x 2

Rs. 60.00

Rs. 405.00

Corresponding no. of units as on 31.03.2007 @

Rs. 10.00 per unit 40.50 units

Fund Management Charge 87.30 units

Total 127.80 units

So, no. of residual units as on 08.03.07= $(2910-127.80)$

= 2782.20 units

No. of units for policy no. 424880175 as on 08.03.2007:

901.415 units

No. of units for policy no. 425086362 as on 08.03.2007:

1523.29 units

Available units total:2424.705 units

Difference of units payable to the policyholder =

$(2782.20 - 2424.705) = 357.495$  units

Corresponding amount payable to the policyholder as on 08.03.2007

(NAV : Rs. 14.41) = NAV on date x Difference of units = Rs.5151.60"

**Decision :**

It was clear that the insurance company received the money on 24.03.05. The policy was issued with DOC 30.03.05 for Rs. 10,000/-. Another policy was issued with DOC 30.06.05 for Rs. 20,000/-. However, there was a shortfall in the number of units that would have been actually allotted. Keeping in view the shortfall of the units, LICl were asked to calculate the difference in units payable to the policyholder. LICl informed that the difference of units comes to 357.495 units. The ends of justice would be met, if the value of these units is paid to the insured in the form of ex-gratia without disturbing the policy condition. Accordingly, the insurance company were directed to pay Rs. 5150/- (Rupees five thousand one hundred fifty) only as ex-gratia payment.

**Kolkata Ombudsman Centre**  
**Case No. : 587/22/004/L/11/06-07**  
**Shri Gopal Daga**  
**Vs**

**ICICI Prudential Life Insurance Company Ltd.**

**Award Dated : 23.03.07**

**Facts & Submissions :**

This petition was filed by the complainant Shri Gopal Daga disputing interpretation of policy clause.

The complainant stated that he purchased a policy for his grandson and paid 3 yearly premiums up to September, 2005. He was then asked to pay further premiums since the policy was open-ended and it would otherwise become lapsed. As this was not explained to him at the time of purchasing the policy, he requested for the refund of premium along with interest. The insurance company did not respond to his request.

The insurance company sent a self-contained note indicating the various policy conditions, which included that the facility of refund of premiums was only within the "Free Look Period". This policy was similar to a unit linked insurance policy and withdrawal benefits were allowed after payment of 3 premiums. The insurer may recover premiums through cancellation of units.

A hearing was fixed for 20.03.07 where both the parties attended. The petitioner and the representatives of the insurance company came to an agreement with regard to the above complaint. The representatives of the insurance company agreed to refund full premium of Rs. 54,000/- without interest and that the cheque would be paid to the customer and the customer, in turn, will give the policy document only on receipt of the cheque of Rs. 54,000/-. The petitioner Shri Daga was asked, whether the proposal was acceptable. He accepted the same and agreed for taking the refund of premiums and that he would hand over the policy document after receipt of cheque.

Since the above agreement was settled in our presence, it was felt that no grievance survives.

**Kolkata Ombudsman Centre**  
**Case No. : 345/21/001/L/08/06-07**  
**Shri Sachindranath Sengupta**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 23.03.07**

**Facts & Submissions :**

This petition was filed by the complainant Shri Sachindranath Sengupta for non-receipt of 3<sup>rd</sup> Survival Benefit (SB).

A hearing was fixed. The complainant attended while the representative of the insurance company did not attend. However, the insurance company sent a letter dated 31.01.07 in which they stated that the SB payable on 28.02.2001 against policy no. 085343389 was paid on 07.02.2001 while the SB against policy no. 085343388 was paid on 05.03.2001. They also gave the value of paid up value for both the policies at Rs. 15791.75 and Rs. 26319.00 respectively.

The complainant was informed of this position and was told that the insurance company has paid the SB and also calculated the paid up value correctly. He was asked to find out whether he has received the calculation sheet and he stated that he has received the same. He was asked to enquire with the insurance company the actual date of payments to him. He was satisfied with the action taken by LIC.

As the complainant was satisfied with the action of LIC, no grievance survives.

**Kolkata Ombudsman Centre**  
**Case No. : 739/21/001/L/02/06-07**  
**Shri Partha Kumar Khan**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 28.03.07**

**Facts & Submissions :**

This petition was filed by the complainant Shri Partha Kumar Khan for less annuity payment by LIC.

The complainant Shri Partha Kumar Khan purchased a policy with DOC 28.07.2001. The policy vested on 28.07.2006 and the annuity payment started w.e.f. 28.08.06. According to him, the policy bond issued to him showed annuity of Rs. 641/- and after commuting 25% of GIS, monthly annuity should have been Rs. 481/-, whereas he was receiving annuity of Rs. 425/- p.m. i.e., Rs. 56/- less than the figure mentioned in the policy bond.

In the self-contained note, the insurance company stated that the policy bond was issued showing annuity payable under Option "D". However, the life assured opted for option "F" and therefore, there was some change in the annuity amount.

Jeevan Suraksha was an annuity plan with or without life cover. On vesting, the life assured receives annuity during the lifetime of the life assured or during the lifetime of the joint life assured or last survivor. The policy bond showed annuity under option "D", which was guaranteed for 15 years and thereafter for life without Return of Corpus (ROC). Under option "F", the annuity is payable for lifetime and ROC after death of the life assured.

Decision:

In this case, we found that the policyholder had exercised option "F". However, at the time of issue of the policy bond the annuity mentioned was under option "D". Therefore, there was some change in the monthly annuity. Since LIC have followed their own policy conditions, we did not think there was any merit in the petition filed by the complainant. Accordingly, the petition was dismissed without any relief to the complainant.

**Kolkata Ombudsman Centre**  
**Case No. : 603/21/001/L/11/06-07**  
**Shri Santanu Ghosh**  
**Vs**  
**Life Insurance Corporation of India**

**Award Dated : 30.03.07**

**Facts & Submissions :**

This petition was filed by the complainant Shri Santanu Ghosh with regard to excess premium collected by the insurance company.

Shri Santanu Ghosh filed a petition to LIC with all relevant papers against unlawful deduction of excess premium with interest from Survival Benefit. In spite of repeated reminders and constant follow-up, the insurance company did not respond. On being aggrieved by the inaction of the insurance company, this petition was filed for redressal of grievance.

The insurance company stated that the policy commenced on 28.03.1995 with date of birth of the proposer as 19.09.1985. However, in the proposal form, age at entry was mentioned as 8 years instead of 9 years. Yearly Premium originally collected was Rs. 8668/- as per the premium applicable for age at entry 8 years. However, according to the insurance company, it should have been Rs. 9350/- as per the premium applicable

for age at entry 9 years. Because of this mistake, 1<sup>st</sup> survival benefit (SB) was booked for due 28.03.2005 instead of 28.03.2004 as per the policy condition. The mistake was detected and after correction, SB was paid on 04.05.2005 with penal interest for the delay of 13 months. In the meantime, the proposer paid one more yearly premium due March 2004, which was not payable because premium paying period for this plan with correct age at entry 9 years should have been 9 instead of 10. The insurance company furnished the calculation which showed the amount that was payable to the life assured as SB due plus penal interest for delayed payment plus refund of yearly premium due March 2004 less difference of premium due to wrong age at entry with simple interest @ 10.5% up to 26.04.2004. In the calculation, they have calculated a simple interest of Rs. 3210/-, payable by the insured on the difference in premium of Rs. 6138/-(Rs. 682/- x 9 instalments). After the calculations, the net claim payable came to Rs. 15620/- and the cheque for the same was issued.

**HEARING :**

A hearing was fixed where both the parties attended. Shri Ramesh Chandra Ghosh, father of the insured stated that he has received the cheque that was issued by the insurance company. However, he was agitating with regard to the mistake committed by the insurance company in deciding the age at entry. According to him, the mistake of 8 years should not be corrected and that he should be refunded the excess premium along with interest. He was then shown the proposal form in which age at entry was written as "8 years" by the proposer himself, being the person who attended the hearing. He was then informed that there was a mistake on both sides as the insurance company did not properly check up the age after having the birth certificate and the person who attended the hearing on behalf of the complainant also did not check up that the entry age was written as 8 years.

**DECISION :**

It is a well known principle that a person should not take advantage of a mistake and, therefore, I agree with the calculations done by the LIC authorities. However, I did not agree with the charging of simple interest as the complainant has paid the premium of Rs. 8668/- due in March 2004 and that money was available for adjusting the excess premium payable by the insured. Therefore, the interest of Rs. 3210/- should not have been charged.

Under these circumstances, LIC was directed to pay an amount of Rs. 3210/- (Rupees three thousand two hundred ten) only within fifteen days from the date of receipt of consent letter from the complainant.

**Lucknow Ombudsman Centre**

**Case No. : L-412/21/001/06-07**

**Shri S.N. Tiwari**

**Vs**

**Life Insurance Corporation of India**

**Award dated 30.11.2006**

Shri S.N. Tiwari had lodged a complaint with Insurance Ombudsman for allegedly unjustified denial of benefit 'B' admissible on the happening of certain specified contingencies mentioned under Para 11(B) of Asha Deep policy no.212819152 on his own life. The claim was denied on the ground that the operation undergone by the life assured was not covered by condition 11B of the policy. On reference to policy

condition 11B it was observed that the policy condition provided certain benefits payable provided the life assured under goes open heart by pass surgery performed on significantly narrowed occluded coronary arteries to restore adequate blood supply to heart and surgery must have been proven to be necessary by means of Coronary Angiography. All other operations have been specifically excluded. It was further observed that the complainant as per the certificate issued by Escorts Heart Institute and Research Centre was a case of Bicuspid Aortic Valve with Aortic Insufficiency and had undergone operation for Aortic Valve replacement + Dracon wrap to Aorta. Although an open heart surgery was performed on him but it was of different nature not covered by the policy condition 11B. The denial of the benefit, therefore, by the insurer was as per policy condition and held to be in order.